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4 January 1982

LATIN AMERICA REPORT

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BRIEFS

NATURAL GAS DISCOVERED--The Sao Paulo Petroleum Enterprise [PAULIPETRO] has discovered a reservoir of natural gas in Paranapanema. This report was released by Sao Paulo Governor Paulo Maluf in the presence of all his secretaries, including Mayor Reynaldo de Barros. The tests carried out indicate a flow of 51,000 cubic meters of gas daily, which represents 300 barrels of petroleum. [PYI20148 Sao Paulo Radio Bandeirantes Network in Portuguese 1000 GMT 11 Dec 81]

CSO: 3001/54

BRIEFS

VAST PETROLEUM FIND REVEALED--Paracas--The minister of energy and mines, Pedro Pablo Kuczynski, revealed here today the discovery of a vein of 2 billion barrels of heavy petroleum at El Zocalo, located between Talara and Negritos. He said that this treasure of "black gold" will not be exploited because it will be kept as promising reserves, considering its high sulfur content, which requires advanced processes for refining. The minister made this important announcement to 50 labor leaders, who have been participating for the past 2 days in the "Paracas meeting" convened by the government to focus on the national labor problems and to find better solutions. While speaking of the hydropower policy of his sector, Kuczynski emphasized that the find was made by the Occidental Company International. "This is another of the positive results of the secondary petroleum recovery in Talara," he noted with satisfaction, because this deposit will contribute enormously to the country's economic resurgence. [Excerpt] [PY181716 Lima EXPRESO in Spanish 10 Dec 81 p 4]

CSO: 3010/545

BRIEFS

COOPERATION AGREEMENT WITH MEXICO--The Federal Electricity Commission of the United Mexican States and the Peruvian State Electric Power Enterprise (Electro-Peru) recently signed a cooperation agreement during the ninth Latin American conference on rural electrification. This agreement is for exchange of information, studies and personnel, development of new technologies and working methods, and the drawing up of technical cooperation plans. Eng Eduardo Caillaux Angulo from Peru and Alberto Escofet Artigas from Mexico signed the agreement. [Peru EL COMERCIO in Spanish 4 Dec 81 p A-8 PY]

SURINAME, PERU DISCUSS MUTUAL INTERESTS--Paramaribo, Suriname, 16 Dec (CANA)--Director General of the Peruvian Trade Ministry, Jose Garcia Belaunde, has said here that his country wants to increase trade relations with Suriname. Mr Belaunde, who headed a 10-man trade mission to Suriname, said that Peru wanted to enter into better trade relations with countries in the region which are not too far away. While in the Suriname capital of Paramaribo, the trade mission discussed financial and technical assistance to the country. The Trade Ministry official said that Peru was interested in purchasing 1,000,000 tonnes of white rice from Suriname, to be delivered in three annual shipments. At present, Peru imports rice from the People's Republic of China and because of the long distance very large ships are required. [Text] [FL161534 Bridgetown CANA in English 1511 GMT 16 Dec 81]

CSO: 3010/548

BACKGROUND OF LAMI DOZO REPORTED

PY220143 Buenos Aires TELAM in Spanish 1310 GMT 17 Dec 81

[Text] Buenos Aires, 17 Dec (TELAM)--The new commander of the Argentine Air Force, Lt Gen Basilio Arturo Ignacio Lami Dozo was born in 1 February 1929 in the city of Santiago del Estero.

He attended the Manuel Belgrano Normal School and the Domingo Faustino Sarmiento National School.

In 1946 he joined the Argentine Air Force and he graduated on 10 December 1949 with the rank of ensign and the title of military aviator. He was then posted to the training group, where he acted as orderly officer.

After serving at the 3d Air Brigade and the 1st Transport Group, he was promoted to the rank of 2d lieutenant on 31 December 1941. He joined the 1st Technical Group, where he was promoted to 1st lieutenant in 1953. On 1 January 1955 he was posted to the 2d Transport Group. On 12 December 1955 he was admitted to the command and staff school, where he held the post of chief of the general services and orders division.

On 24 May 1956 he was posted to the air brigade where he held the post of wing officer of the 1st squadron of the 2d Transport Group and as personnel chief. On 31 December 1956 he was promoted to the rank of captain.

On 2 March 1960 he started the basic course and he finished it in December of the same year with the 1st order of merit of his class, and the 2d of all classes.

On 31 December 1960 he was promoted to major. During 1961 he served in the 5th Air Brigade and on the air force general personnel board, commissioned by the presidency of the nation.

On 28 January 1963 he was posted to the air force secretariat, and in the following year to the air force institutes headquarters. On February 1965 he travelled to the United States to train himself as staff training officer. On 31 December 1965 he was promoted to lieutenant colonel. On 25 April 1966 he was appointed to serve with the 1st Air Brigade and on 7 January 1969 he was posted to the command and staff school to follow the higher course. He passed the course on 3 December 1969 with the 1st order or merit.

Soon after he joined the air force staff and on 8 April 1970 he was designated member of the regular court of honor.

On 31 December 1970 he was promoted to colonel, and on 28 February 1973 he was appointed Argentine representative to the Council of the International Civil Aviation Organization and member of the Air Transport Committee.

On 30 June 1975 he was appointed deputy director of the command and staff school. At the end of 1975 he was promoted to brigadier general and was appointed chief of section 1, air force interests, with the general staff.

On 12 May 1977 he was designated secretary general of the air force headquarters and on 21 December 1979 he was appointed training commander, retaining the post as secretary general.

On 31 December 1981 he was appointed commander in chief of the armed forces and was promoted to lieutenant general.

The new air force commander was married on 20 October 1955 in the city of Buenos Aires, and has five children: Arturo, Ignacio Mario, Claudia Beatriz, Juan Martin, Alejandro and Maria Jose.

Lt Gen Lami Dozo has received various decorations in this country and similar honors in Colombia, Ecuador, Spain and Brazil.

CSO: 3010/541

BRIEFS

MEAT SHIPMENTS FOR USSR--According to information appearing in the daily news bulletin published by the National Meat Board, on 4 December bills of lading were endorsed for a volume of 1,719 tons bound for the USSR. Yesterday, the Soviet vessel "Artobolevski" was loading its holds with Argentine beef, while another vessel, the "Chenakhovsk", sailed on Wednesday afternoon. [Excerpts] [PY172110 Buenos Aires CLARIN in Spanish 11 Dec 81 p 16]

CSO: 3010/541

'NATION' DIMLY REVIEWS MIAMI MEETING ON CARIBBEAN

FL111845 Bridgetown CANA in English 1807 GMT 11 Dec 81

[Text] Bridgetown, Barbados, 11 Dec (CANA)--The NATION newspaper said today that regardless of the outcome of a U.S.-backed aid plan for the Caribbean solutions would have to be found for the pressing crises of political unrest, insufficient opportunities for capital and available skills as well as the severe economic emergency now facing the region.

In an editorial, the paper said that at the fifth annual Miami conference on the Caribbean held from November 29 to December 2 this year, eight Caribbean leaders were more than a little disappointed that the exact proposals and details of the plan were not revealed. The so-called Caribbean Basin Initiative is the plan under which the U.S., Mexico, Venezuela, and Canada plan to offer aid to the area.

Said the NATION: "The keynote address failed to get past mere generalisations and one specific, regarding aspects of a free trade area for most Caribbean basin products going into the United States. Everything else was warmed-over soup."

It added "Enough has been said and written about conditions in the area for Washington to understand very clearly that this region is not sitting around awaiting its charity. Although we understand that time-consuming processes, especially at Congress level, are likely to lead to some delay in the implementation of the CBI."

It continued: "Caribbean people have little difficulty separating substance from shadow the paper felt."

The region is at a critical point in its development and Barbadians are fully aware of these facts, the editorial said. It claimed that speaking on behalf of the United States Government, Tom Enders articulated the point at the Miami talks when he said "Three crises are engaging the Caribbean at this time...an economic emergency brought about in part by low commodity prices; insufficient opportunities for capital and skills that are available; and political unrest convulsing much of the region, particularly Central America."

The newspaper said: "These are the matters that are addressing our attention at this time. Solutions will have to be found for them within or without the Caribbean Basin Initiative.

CSO: 3025/1011

CONGRESSMEN URGED TO VOTE AGAINST GOVERNMENT BILL

PY191746 Sao Paulo FOLHA DE SAO PAULO in Portuguese 16 Dec 81 p 4

[Text of a "Letter to Congressmen" read at session of Federal Council of the Brazilian Lawyers Association held in Rio de Janeiro in December 1981]

[Text] Brazil's recent political history records the relevant participation of the civilian society in the struggle for a democratic state. The cancellation of the institutional acts and the granting of amnesty were two important victories in that struggle.

Political participation is the most important objective in the program of Brazilian society for 1982. The elections ought to have the significance of a great moment when the will of the nation would be allowed to reset this country's political course, although some limitations would still remain to the electorate's free choice. The high note would be struck by the confrontation of ideas and the possibility of exchanging viewpoints among the participating forces.

The so-called November package now appears as another attempt at choking off the right of popular self-determination by blocking the electoral route, emasculating the legitimacy of elections, creating unnecessary conflicts in the spirit of the electors, and preventing the free expression of their will.

The Brazilian people should not be, and do not want to be, stunted by being kept in perennial submission, being directed and led to vote in accordance with the interests and dictates of the tutorial regime.

Instead of perfecting the electoral system on the basis of a consensus of political groups, the government seeks to hold elections and yet, with the "package", to turn them into a deceitful ritual fraught with manipulations so as to ensure the victory of the "official" party and keep others from coming to power.

Political parties are thus weakened, a regime riding herd on the electorate continues to prevail, and nation's destiny is entrusted to local bosses and narrow interests.

The electoral farce will then give the superficial observer of our reality the rosy vision of a democratic country.

It is, then, a necessity that we resist!

It is necessary for congress to make its prerogatives count. It is necessary for congress to command credibility before the people.

It is necessary for congressmen of all parties, including those who have lent support and given votes of confidence to the government, to stay alert at this time when the country is exposed to serious risks. Authoritarianism should not be permitted to go on with its growing intransigence, the government ever more distant from the people who are burdened with hopelessness and socioeconomic problems.

Preventing the Brazilian people from choosing their destiny is like depriving them of a future, causing them dismay and despair, driving the country into a situation of conflict to serve as pretext for radicalization.

With its electoral trickery, the government is further away from the nation which is thus trampled and slighted.

There remain the hope in courage and the right of denunciation.

Resisting arbitrary actions is exercising the right of legitimate defense of the nation.

For a clean, free and authentic 1982.

[FOLHA DE SAO PAULO in the introduction to the text of the above letter reports that it is signed by presidents of four opposition parties, representatives of 22 organizations, and 100 personalities from various sectors. It then identifies the following signatories: Several state chapters of the Brazilian Lawyers Association, the Brazilian Press Association, several state chapters of the Justice and Peace Commission, teachers associations, lawyers associations, workers associations and federations, Sobral Pinto, Heleno Fragoso, Miguel Real Junior, Paulo Freire, Raimundo Faoro, Djalmto de Abreu Dallari, Helio Bicudo, Severo Gomes, Jose Goldemberg, Rogerio Cerqueira Leite, Fernando Henrique Cardoso, Francisco Welfort, Gianfrancesco Guarneiri, Ferando Gasparian, Flis Regina, PMDB President Ulisses Guimaraes, Workers' Party President Luis Inacio da Silva, Popular Party President Tancredo Neves, and Democratic Labor Party President Leonel Brizola.]

CSO: 3001/51

BRIEFS

CANNON PRODUCED WITH SWISS TECHNOLOGY--Curitiba--The Mechanical Systems Industry--IMS of Brazil--will present within 15 days, for the approval of the Brazilian Army, the first Oerlikon cannon, of Swiss technology, one of the most sophisticated in the world. IMS intends to manufacture 60 cannons per year, at the price of \$800,000 each, investing \$4 million in the installation of the factory in Curitiba. The double-barrel cannon will be supplied in three different versions: the antiaircraft type (defense of strategic areas); the turret (mounted on armored vehicles); and the naval (intended for the navy). The nationalization of the components--for the mounting of the first cannon all parts were imported from Switzerland--will be in charge of two enterprises of Parana State, Inepar Industries and Construction Inc., [Inepar Industrias e Construcoes S/A] and FAM--Factory of Metallic Artifacts Limited [Fabrica de Artefatos Metalicos Ltds.]. [Excerpt] [PY182134 Rio de Janeiro JORNAL DO BRASIL in Portuguese 24 Nov 81 p 19]

EXPEDITION TO ANTARCTIC--Brasilia, 17 Dec (LATIN-REUTER)--Chile lauds the Brazilian interest in sending its first scientific expedition to the Antarctic--scheduled for 1983--a high-ranking Chilean diplomat has stated here. Chilean Foreign Ministry Director General Fernando Zegers Santacruz has said: The government of my country views favorably the Brazilian expedition and is even willing to provide it with the necessary assistance and cooperation. Zegers returned last night to Santiago after attending the sixth meeting of the Brazilian-Chilean joint commission at the head of the Chilean delegation. In a statement to the press, he discussed the Brazilian plan to send its first mission to the Antarctic and said that Brazil is fully entitled to do so in its capacity as an oldtime signatory of the Antarctic treaty. He also confirmed that Brazilian scientists and officers had been invited by Chile to participate in earlier expeditions to that region. [Excerpt] [PY190252 Buenos Aires LATIN in Spanish 1710 GMT 17 Dec 81]

AMBASSADOR TO ANGOLA--(Mauro Cesar da Fonseca Costa Couto) will be new Brazilian ambassador to Angola. He will replace current Ambassador Rodolpho Godoy de Souza Dantas. Itamaraty reported today that the Angolan Government already agreed to his designation. [PY191135 Brasilia Domestic Service in Portuguese 2200 GMT 17 Dec 81]

NEW NEWSPAPER--The city of Fortaleza will have a new newspaper beginning tomorrow: O DIARIO DO NORDESTE printed by the (Guedes Malis) Publishing Company of the (Edison Queiroz) business group. [PY191135 Brasilia Domestic Service in Portuguese 2200 GMT 18 Dec 81]

CSO: 3001/51

MINISTER HAILS RESULTS OF ECONOMIC MEASURES

PA191418 San Jose Radio RELOJ in Spanish 0100 GMT 19 Dec 81

[Text] Jose Miguel Alfaro, economy minister and vice president of the republic, has expressed great satisfaction with the country's achievements in these months of constant effort to seek a new model, a new structure that will show us the way to change from an importing country to an exporting country.

Cheers for this national effort that merits great praise, Minister Alfaro said.

In order to give the country an accurate idea of the positive changes that have taken place in our trade balance, Minister Alfaro used the trade deficit from 1978 to 1981 as a frame of reference. In November, 1978, the deficit was \$32,900,000. In November, 1979, it increased to \$50,400,000. In 1980, it declined to \$27,100,000 and, most importantly, something that all Costa Ricans should learn with pride and satisfaction, in November, 1981, for the first time, Costa Rica has confirmed a definite surplus of \$700,000.

This is no more than the result of being a hardworking, exemplary and honest people, Minister Alfaro said. Of course, we know that it is an isolated case, he said.

The minister said that the fact that the figure only covers up to November, 1981, makes it no less an indication of a clear, definitive trend. He said that although we cannot rest on our laurels just because we have a surplus as of November, 1981, it is true that, thanks to a constant struggle, even in the face of pressure and misunderstandings, there has been an economic improvement. This also implies, he said, that our policies of austerity and development are good and positive and therefore well-directed.

The minister said that Costa Rica has a surplus with all the countries with which it trades, thanks to the national effort, especially the effort of the private sector.

Finally, Minister Alfaro said that as the months have gone by, we have been able to see that the government's decision to float the colon was a good measure that, thanks to our determination and effort, is bearing its first good fruit. Among measures taken by the government, in addition to floating the colon, was the limitation on imports, which meant that the country has spent much less, while earning much more. The change is now being seen somewhat more clearly, the minister said. We are now a country that exports more and imports less. The sacrifice made by us all has produced this good result, he said.

CSO: 3010/570

BRIEFS

JAPANESE COOPERATION ON ENERGY--Costa Rican Energy Minister Fernando Altmann Ortiz disclosed today that Japan is cooperating with Costa Rica in the exploitation of new energy sources. The Japanese Government is providing technical assistance in exploiting some apparently substantial coal deposits discovered in the Talamanca area, on the Atlantic, and geothermal energy resources in the area of the Miravalles volcano in northern Costa Rica. A Japanese Foreign Ministry official is in Costa Rica to explore prospects of cooperation in this field with President Rodrigo Carazo. [Panama City ACAN in Spanish 1912 GMT 18 Dec 81 PA]

FINANCIAL AGREEMENT WITH FRG--Costa Rican Foreign Affairs Minister Bernd Niehaus and the FRG charge d'affaires in Costa Rica on 16 December signed a financial cooperation agreement for 6 million marks, to be used for buying German products such as industrial and agricultural machinery and equipment, spare parts and accessories. [PA 220336 Paris AFP in Spanish 0413 GMT 17 Dec 81]

CSO: 3010/570

SECOND CDR CONGRESS MAIN REPORT PUBLISHED

Havana TRABAJADORES in Spanish 23 Oct 81 p 3

[Text] The national coordinator of the CDR [Committees for the Defense of the Revolution] accused the U.S. Government of resurrecting power politics, the cold war and nuclear blackmail.

He said that the U.S. administration constantly endangers world peace with its insane warmongering policy. Going against world public opinion, it is starting to build that horrible and criminal weapon, the neutron bomb.

Within the context of the world situation today, he transmitted a message of encouragement and support from the CDR to all the people throughout the world who fight for a happy future, those who--even at the cost of their own lives--deal devastating blows, one after the other, against injustice, crime and oppression.

Faithful to Example of Fidel, Party

He stated: "We have complete confidence in the future. We are not afraid of the fight; on the contrary, our people have become stronger and firmer in their ideals. We are peace-loving but we will be able to defend that peace with our own blood. That is the example that you, comrade Fidel, our party and all the heroes and martyrs of the fatherland have given our people. We in the CDR will be able to be faithful, worthy and deserving of that example."

He stated that that powerful army of the people, at its second congress, reaffirms to Fidel its unwavering readiness to fight until the final victory, to continue to be the scourge of the counterrevolution and, as the commander in chief said, to be an ever-growing, gigantic popular tide.

At the same time, in the name of the almost 5.5 million men and women organized in the CDR, he reaffirmed their firm and collective support of Fidel's statements at the inauguration of the 68th Interparliamentary Conference.

At the beginning of his speech, Acosta pointed out that, in the 4 years since the First CDR Congress, the correctness of Fidel's initiative to create the CDR 21 years ago has been reaffirmed.

He stated that this period, with its important motivations, was one more test for the organized people who were able to successfully carry out the many complex

tasks derived from the agreements of the First and Second Party Congresses and the First CDR Congress. They were constant stimuli for the realization of daily tasks.

He said that the organization of revolutionaries in every block, town, village, sugar mill or rural zone in the furthest corners of the country has expeditiously and effectively channeled all the enthusiasm, combativeness, passion and revolutionary interest of the broad masses toward concrete objectives of the revolution.

Revolutionary Vigilance, CDR Cornerstone

Concerning collective revolutionary vigilance, he emphasized that this has been the cornerstone of CDR work. He recalled the words of the head of the revolution that that task was, is and will be the main responsibility and main duty of the CDR.

He referred to the process of strengthening this front which has led to much more effective work in the detection and prevention of crime and other activities that hurt the assets of our working people and the security of our revolutionary state.

He stated that the awareness of the masses is demonstrated by daily participation of more than 30,000 members of the guard. During emergency situations, more than 100 percent of those needed have responded.

He emphasized that criminal activity during CDR guards has decreased throughout the country; it is 20 percent less than in the last 3 years. Robbery by force during the guards has decreased notably; it was 24 percent lower in 1980 than in 1977.

Within the context of revolutionary vigilance, he pointed out the work done by Havana City Province in confronting the scum, the battles fought during the incidents at the Peruvian and Venezuelan Embassies and the U.S. Interest Office, the Marches of the Fighting People and the position of all CDR members and the people in general toward the imperialist threats and diversionary actions during that period.

He transmitted to all CDR members, especially the fighting youth, the recognition of this Second CDR Congress for their decisive and distinguished contribution to the defense of our revolution.

He also said that it is necessary to fight a definitive battle against the problems in the guard since there are still CDR and zones that have not effectively systematized this task.

Political-Ideological Advancement, Priority Task

He pointed out that the political-ideological advancement of the masses to prepare them to fight the diversionary actions of the enemy has received and will receive the necessary priority.

He added that an average of 3 million CDR members participated in each of the 31 courses studied and discussed within the CDR, especially the study of the Main Report to the Second Party Congress. He said that it is necessary to expand this

activity in order to increase its quality and incorporate a greater number of CDR members.

In general, he felt that the political-ideological work as well as CDR propaganda and agitation have had positive results. He pointed out the need for CDR cadres, leaders and members to work to eliminate the problems.

Referring to patriotic-military work, he revealed that ties with the FAR, MININT [Ministry of the Interior], the EJT [Youth Labor Army] and joint work with SEPMI [Society for Patriotic-Military Education] and Civil Defense have become stronger.

He stated that the work of the CDR-FAR front must be improved in the coming years by improving its leadership on all levels and making it more systematic locally in accord with the agreements on defense of the Second Party Congress.

He also pointed out the support for education, culture and sports. He indicated that the Exemplary Parents Movement, with almost 1.5 million members, has become an important instrument to involve families with the education of children and youths.

Another part of the report emphasized the role of the CDR in increased popular participation in meetings to render accounts, assemblies to nominate candidates and elections of delegates to the people's government. He congratulated the comrades who were recently elected delegates throughout the country.

As to contributions to community projects, the CDR has participated in the construction of 2,440 projects during this period and the repair and construction of housing, schools, streets and sidewalks. It also improved hygiene and cleanliness.

In the health sector, 4.5 million CDR members participated in programs to increase sanitary education, especially in the fight against dengue. The CDR forces have been involved in making this another victory of the revolution against the enemy.

Polio vaccinations of minors and some 740,842 blood donations during this period are also accomplishments in the health sector achieved through the resolute support of the CDR. However, there must be continued work to achieve better systematization and solution for the necessary resources to increase blood donations.

Analyzing savings, he indicated that some aspects that have prevented better results in the recovery of raw materials are: inadequate transportation, limited storage capacity and nonfulfillment of the recycling process.

Concerning structure, internal life and information, he stated that CDR work is essentially political and ideological. It is necessary to constantly improve educational work in order to increase the number of distinguished members within the organization.

He pointed out that the organization had 5,031,461 members in 1977 and now has 5,425,069, an increase of 400,000.

He also covered other matters like dues, emulation, development of CDR cadres, the Population and Housing Census, solidarity, international relations and the Territorial Militia.

With respect to this last subject, he reaffirmed to the party and Fidel that the CDR will do as much work as necessary to help the Territorial Militia be an ever firmer bulwark in defense of the revolution.

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CSO: 3010/402

U.S. INVOLVEMENT IN GUATEMALAN CONFLICT

Havana PRISMA LATINOAMERICANO in Spanish Nov 81 pp 11-12

[Article by Jose Gonzalez Tosca]

[Text] Impotent in the face of the steady growth of the revolutionary struggle, the Guatemalan military regime has recently been resorting to the propagation of crude arguments to justify the hideous extermination this Central American people is gradually being subjected to.

Regional and international press media have recently been publicizing reports that originated in a campaign fostered by the U.S. Central Intelligence Agency (CIA), which is trying to get people to believe in supposed foreign intervention in support of the Guatemalan guerrillas.

This campaign is also being pursued in the cases of El Salvador, Honduras and Costa Rica — to mention only countries in the area — for diversionary purposes.

This time, in Guatemala, moreover, they plan to conceal the most spectacular military operation the Guatemalan capital can remember during the past few years and which political observers consider to be a new way of disseminating propaganda about the capability of their forces.

In the face of constant political and military defeats and its inability to contain the guerrilla advance in rural areas, on the 9th and 10th of July the regime conducted an action in Guatemala City which, on the second day — as of which date it shut down all channels of information that were not official — resulted in the deaths of 40 persons whose political affiliations are to date unknown.

During the operation, in which joint forces of the Army and the police took part with the support of paramilitary troops and armored vehicles, entire buildings were blasted with tank fire in the districts of El Carmen and Vista Hermosa — to the west and south of the city — which were reported as "the destruction of centers of subversion."

Most of the bodies, among them those of several women, were unrecognizable according to witnesses who were present, while the military forces suffered only "four slightly wounded."

Other witnesses denounced the action as "monstrous" and said that they even "saw several bodies fly through the air as a result of the tank fire."

The official versions later reported that a factory for the manufacture of uniforms and bombs and a unit for the "printing of subversive propaganda" were based in Vista Hermosa.

But they tried to stress the fact that the real justification for the action was the successes achieved in El Carmen where, they assured us, "a hospital and hideout for kidnapers was in operation," which also served "to train and apprentice rebels who go from Cuba to Nicaragua."

However, no one, aside from the military, has been able to come up with evidence in verification of such information. We know of only one official communique from the Ministry of Defense and a few photos of the buildings reduced to rubble, which a select group of foreign correspondents were permitted to take.

Later, reporting on a guerrilla action in the town of Palestina de los Altos — occupied for several hours by rebels last 13 July — the regime was profuse with this kind of story when it published an account to the effect that "antigovernment agents" had held a meeting where "several tall, fair-haired men with foreign accents" spoke.

The same arguments are presented by the Christian Democratic military junta in El Salvador in its attempt to slander the evolving revolutionary offensive and by other regimes in the area in the face of every outbreak of popular discontent: statements fabricated by the CIA, sanctioned in the Pentagon and divulged by the many conspicuous American advisers in these countries or by the very "governments" they back, as is the case in Guatemala.

The obvious objective of such reports is to disguise growing U.S. intervention and military aid — to say nothing of Israel's — which for Guatemala alone amounted to \$150 million this year.

Meanwhile, the price the people of Guatemala have had to pay is well known: over 3,000 murders last year and no less than 400 abductions and disappearances, almost 80,000 political crimes and disappearances since 1954.

Serious Social Picture

To this we must add a mass exodus of the population. During the past few months over 3,500 farmers arrived in Mexico alone in a desperate flight from military repression.

Among these refugees, hundreds of entire families preferred forced exile to torture and death either from hunger or at the hands of a system the essence of which is state terrorism and which dedicates the bulk of its resources to perfecting the same.

The fact that Guatemala's foreign debt increased from \$422 million in 1976 to \$819 million in 1979 and that consumer item prices rose by 40 percent while wages went up by barely 20 percent cannot be explained in any other way.

The country's social picture aggravates the situation with, among other things, the death of five out of every 100 children under the age of four due to malnutrition every year, the fact that there is only one doctor for every 23,000 inhabitants, 80 percent of them in the capital, the high rate of illiteracy, amounting to 75 percent, and the big shortage of approximately 900,000 housing units.

However, the machinery of repression continues to capture the bulk of the attention of the government of Guatemala and its backers, the United States and Israel.

Refugees claim that in built-up urban areas, when curfew begins, members of the armed forces and paramilitary bands go out into the streets, roust defenseless citizens from their homes and, after torturing them, finish them off and then toss their bodies into parks or leave them on roads.

They note that in rural towns and villages there is no less cruelty. Government forces frequently launch attacks on these and fire on women, old people and children, whose bodies are often cut to pieces by bayonet thrusts and are later counted and reported as "guerrilla casualties."

These actions, like those mentioned above, have been reinforced by the new American administration which, as early as the beginning of last June, approved a special loan of several million dollars for the supplying of military equipment.

As part of this aid, the Guatemalan Government has received a shipment of 50 trucks, 100 jeeps and other military supplies.

ORPA Reports

At the same time political and observer organizations in the region have repeatedly reported that Guatemala can, moreover, with certainty rely on obtaining the necessary supplies not only for repression in that country, but also for the purpose of intervening in El Salvador against the guerrilla movement in that neighbor nation and in planned attacks on Nicaragua.

A document recently published by the Armed People's Revolutionary Organization (CRPA) presents proof of how the United States has used Israel as of 1976 to supply Guatemala with arms after "the apparent withdrawal of military assistance by the (James) Carter administration and Carter's political demagogery for human rights."

ORPA maintains that the Zionist state has supplied ARAVA aircraft, artillery, rifles and enough ammunition to replace all American weaponry, naval units and advisers, especially in dealing with counterrevolts.

In contrast with this, Gen Romeo Lucas Garcia himself and his American advisers have felt it necessary to recognize the actual control the guerrilla organizations exercise over a large part of the country as well as the increase in the number of armed actions and the people's struggle in the cities.

In July the Guerrilla Army of the Poor (EGP) announced the creation of two new guerrilla fronts — the Marco Antonio Yon Sosa in the Alta Verapaz region and the Augusto Cesar Sandino on the country's Central Plateau — while the rest of the armed organizations are strengthening themselves.

Another factor that heightens the fears of the Guatemalan Government, against which terrorist activity is increasing and the campaign for foreign intervention is spreading, is the accelerated united effort engaged in by the political and military organizations throughout the country.

The ranks of the rebel forces are being daily swelled with men, women and even children who find in the guerrilla camp the hope for a final solution to the impossible crisis the Army has plunged the nation into, the national oligarchy and the transnational Americans.

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CSO: 3010/468

SOCIALIST COUNTRIES' PARTIES EXPRESS SUPPORT

Havana GRANMA in Spanish 5 Nov 81 p 1

[Text] Representatives of the Bulgarian Communist Party, Hungarian Socialist Workers Party, Vietnamese Communist Party, the Socialist Unity Party of Germany [SED], Cuban Communist Party, Laotian Popular Revolutionary Party, Mongolian People's Revolutionary Party, the Communist Party of the Soviet Union, and the Czechoslovak Communist Party which participated in the conference of secretaries of the Central Committees of Communist and Workers Parties of Socialist States pointed out with indignation that once again Cuba has been the subject of threats by the United States. The pretext was lies fabricated in Washington about an alleged "intervention" by Cuba in the affairs of Nicaragua and El Salvador. In an official statement, the Cuban Government revealed this invention by the American special services and called upon the United States to present the "proof" it has to world public opinion. This notwithstanding, Washington is making it known in a threatening tone that it is preparing "punitive actions" against Cuba.

Such actions by the U.S. Government are a clear effort to artificially heat up tensions in this region of the world, to exert pressures on independent states and to lay the groundwork for new aggressive actions against the Republic of Cuba. The U.S. Government should realize full well the dangerous consequences inherent in such a policy.

The Republic of Cuba is a member of the community of socialist states. It enjoys great international prestige which was won by its meaningful policy in defense of peace and the rights of all peoples to live free and in dignity and in support of a cessation of imperialist looting of the natural wealth of developing countries. Cuba has won great respect within the Movement of Nonaligned Countries of which it is an active member. All the progressive and peace-loving forces, aware of the seriousness of U.S. imperialism's provocations, must raise their voices in defense of Cuba, its independence and sovereignty. Threats against Cuba, which endanger world peace, must cease at once.

Hands off Cuba.

8143

CSO: 3010/339

BREZHNEV EXPRESSES SUPPORT FOR CUBA, VIETNAM

Havana GRANMA in Spanish 5 Nov 81 p 1

[Text] Moscow, 4 Nov (PL)--Leonid Brezhnev, the highest Soviet official, said here today that when the USSR supports Cuba or Vietnam the socialist community and the cause of peace as a whole are strengthened.

The General Secretary of the CPSU Central Committee added that this also refers "to the support which socialist countries are providing to their Polish comrades in their efforts to overcome the harsh political and economic crisis."

As he received at the Kremlin the secretaries of Communist and Workers parties from the socialist countries who are considering ideological and international problems, he said that internationalism itself is one of the principal sources of socialism's strength.

Analyzing the international situation, he said that everything that happens is connected with the cardinal question of "eliminating the danger of a world war and assuring a firm peace."

"Not only is a decision being made concerning what the 1980's will be like," he said, "but also what the situation will be in the years after that."

The USSR's highest leader said that public opinion is becoming increasingly concerned about "the dangerous outlook for the peoples of the world represented by the arms race upon which the most reactionary imperialist forces have set their sights."

In his view, the policy of peace and international cooperation will finally prevail over the impetuous increase in tension.

He recalled that the process of detente "in large measure owes its existence to the joint and active policy of the socialist states" and stressed that a common-accord action will infuse that "process with new life, new vitality and dynamism."

"To accomplish this," he added, "it would be important to develop economic and commercial contacts between states, to reinforce the dialogue with statesmen who see things as they are with various political factions prepared to act on behalf of a better future.

"The conference in which you are participating will contribute to the better coordination of actions by brother parties in the international sector, will help a combined theoretical-ideological effort and the growth of Marxism-Leninism," Brezhnev concluded.

The conference on ideological and international questions began yesterday in this capital with the participation of secretaries of the central committees of Communist and Workers parties of the German Democratic Republic, Bulgaria, Cuba, Czechoslovakia, Hungary, Laos, Mongolia, Poland, Romania, the Soviet Union and Vietnam.

The conference was inaugurated by Boris Ponomarev, candidate member of the Politburo and secretary of the CPSU Central Committee.

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CSO: 3010/339

CARLOS FRANQUI DISCUSSES PROBLEMS IN COUNTRY

Sao Paulo VEJA in Portuguese 2 Dec 81 pp 3-4, 6

[Interview with writer Carlos Franqui in Rome by foreign correspondent Dirceu Brisola: "The Cuban People Want Change"; exact date not given]

[Text] On the jacket of the Spanish edition of the latest book by Cuban writer Carlos Franqui, "Family Portrait with Fidel," there are two apparently identical photographs. Fidel Castro, now president of Cuba, appears in both, speaking into the microphone held by a newsmen. Castro was announcing at that time the defeat of dictator Fulgencio Batista, shortly after capturing the presidential palace on 1 January 1959. But there is an important difference between the two photographs. In one of them Carlos Franqui is seen in the background, young and bearded like Fidel. In the other, the image of Franqui has disappeared. It was expunged. In its place one sees only a kind of white cloud. "This is the photograph that is circulated in Cuba today," says Franqui, pointing to the version in which his face does not appear. "I disappeared; I became a white ghost."

A revolutionary from the earliest times, Franqui today is a bitter critic of the Fidel Castro regime's distortions. Son of a family of sugarcane cutters on a plantation near Cifuentes, in the interior of Cuba, Franqui, now 60, was an active fighter in the struggle against the dictator Batista and was jailed in 1957. He founded the REVOLUCION newspaper, mouthpiece of the Cuban revolution, and was its manager after the revolutionary victories. He participated in the guerrilla movement in Sierra Maestra, where he was responsible for rebel radio broadcasts. After the fall of Batista his disagreements with leading personalities of the victorious movement--including former President Osvaldo Dorticos, Defense Minister Raul Castro (Fidel's brother) and Fidel Castro himself--became increasingly pronounced. The main reason for this friction--which eventually caused Franqui to leave the country--was the growing Soviet influence in Cuba and the equally growing personalism of Fidel.

In 1965 Franqui published in Europe, where he gained a large circle of friends, his book "Diary of the Cuban Revolution," not published in Cuba until 2 years later. In 1968 he moved to Italy, where he still lives in the pleasant Tuscany beach resort of Montecatini near Florence. A few months ago he published simultaneously in Spain and Italy a small book of memoirs in which he narrates events following the victory of the revolution in his country. In Spanish the book was named "Family Portrait with Fidel" and, in Italian, "My Years with Fidel." As in nearly everything he writes and says, Carlos Franqui rekindled in his book longstanding arguments about Cuban communism, Fidel's personality and related topics. Last week, in this interview with VEJA's correspondent in Rome, he had something to say about each of these topics.

Fidel Pushed Button, Aircraft Fell

VEJA: In your latest book you reveal that during the 1962 crisis involving Cuba and the United States, resulting from installation of Soviet missiles on the island, Fidel himself fired the rocket that shot down a U.S. aircraft. Is that true?

Franqui: It is. Fidel was visiting one of the missile bases and, after listening to a series of boastful explanations about these very modern weapons, he asked how he could get rid of the U-2 planes which at that time were overflying Cuba at low altitudes. The Russian officials replied that all he had to do was push a button and the aircraft would be hit immediately. Fidel asked which button and the Russians showed him. So he pushed it, to everyone's consternation. The U-2 fell and its pilot was the only fatal victim of that whole incident.

VEJA: In 1961 you were in Brazil to request the support of Janio Quadros for a motion favorable to Cuba at the United Nations. What did you think of this meeting with the then president of Brazil?

Franqui: I thought he was a frank, sincere man. He met with me immediately and assured Brazil's vote in favor of the motion. I had the impression he was also a naive man. Brasilia, however, I thought was utter madness. Economic, political and architectural folly. I thought it would be the ideal setting for a military coup. And it turned out to be exactly that.

VEJA: Some prominent persons mentioned in your latest book were treated especially severely, as in the case of Cuban writer Alejo Carpentier. Why is that?

Franqui: How can I possibly speak well of a man who, being away from Cuba, does not move a muscle, does not utter a single word against the Fulgencio Batista dictatorship and, after the victory of a revolution he did not assist, returns to the country, discovers where the power is and becomes an official writer?

Living Conditions Worse Today Than 20 Years Ago

VEJA: At the end of the book, you describe the luxurious mansion of a certain Major Manuel Pineiro, deputy chief of the security service in Cuba, whose chicken and turkey raising is conducted with Army food and personnel. Is this kind of perquisite typical or is it an exception in Fidel's Cuba?

Franqui: I mention more than the case of Pineiro. I mention my own case, for instance: I lived in a bourgeois house. In Cuba this problem is widespread today. What is curious is that Fidel Castro himself, during his student days, denounced Batista's military chiefs who were using soldiers as private servants. In other words, this existed before the revolution and was one of the reasons for our movement. The entire Cuban administrative class now lives in bourgeois houses. I am not a utopianist who believes in abolition of all distinctions among persons. But I can testify that during the early years of the revolution we were very careful not to adopt a bourgeois lifestyle.

VEJA: This concern disappeared?

Franqui: Completely. There is now a very great difference between the lifestyle of men in government and that of the people. Everything the wealthy owned--the most elegant houses, the most beautiful beaches--eventually fell into the hands of the bureaucrats. The Central Committee of the Cuban Communist Party has about 100 members. Only a few of them came from the wealthy class. Most of them come from poor circumstances. But now each of these leaders has several houses. And they are not ordinary houses, but grand residences that previously belonged to the wealthy. A veteran member of the Cuban PC [Communist Party] inner circle, Carlos Rafael Rodriguez, is a good example: he calls his servants "domestic worker comrades."

VEJA: What do the Cuban people think about this?

Franqui: There is clearly some resentment about this. If one were to take the trouble to read carefully what is published in the Cuban press, he would find frequent reference to such abuses.

VEJA: You have been in Italy since 1968 and not until this year have you published a book about events that took place 10 years ago. Why the delay?

Franqui: I published other books, but I had a lot of trouble in Cuba. "Diary of the Cuban Revolution," for example, was published in Europe in 1965 and was not published until 1967 in Cuba, where it had only one printing. I left Cuba because I no longer had the minimal conditions to pursue my struggle. I continued my work in Italy because I feel I have a historic responsibility. I believe that in Cuba the struggle continues.

VEJA: What would be the visible indications of such a struggle?

Franqui: The strongest evidence of this resistance is in Cuban prisons, which are always full. Today they house thousands and thousands of patriots. One senses there is resistance to the regime, also, when one hears a speech such as that of Defense Minister Raul Castro criticizing people for not working. Raul said they were pretending to be working but were not really working; they were making out reports guaranteeing that the goals had been met, although this was not true.

VEJA: How would you describe the situation in Cuba today?

Franqui: There are three major problems. The first is existence of rationing, which has been in effect for 20 years--and today is more strict than it was 20

years ago. Worse: according to the same speech by Raul Castro, it may last another 20 years. The second problem is the total lack of freedom in the country. And the third is the problem of Soviet domination. How can it be that more than 20 years after the revolution the situation of the people is worse than it was before? It can be understood, of course, that they lack domestic appliances, automobiles, everything that was being imported from the United States. But how can it be explained that there is less meat, less coffee than before, when these products are produced within the country?

VEJA: And why has the government not been able to overcome this problem?

Franqui: The government makes everything more difficult with its bureaucracy. A fish caught in a given province, for instance, has to go to Havana and only later return to the province to be sold. In other words, the bureaucracy is incapable of increasing production and distributing that production efficiently.

VEJA: In your book, you speak of a people's rebellion in the city of Cardenas in the province of Matanzas after the revolution, against this very same state of affairs. Why are protests such as this apparently no longer taking place today?

Franqui: Cuba today is like the Soviet Union or any other communist country. The means of controlling the population are strict; repression is ruthless. Some managers of state farms, for example, tried to make arrangements on the side but they landed in jail. Something like a rice-growing farm that was exchanging its rice for shoes from a shoe-producing farm. Because of such innocent deals, many people were arrested.

After Victory, Executions

VEJA: This repressive aspect clashes with the image that Fidel Castro enjoyed when he came to power. Did he change after the revolution's victory? Or was it after his rapprochement with the USSR?

Franqui: In the sierra, during the revolutionary struggle, he was a humanitarian. He would deliver long lectures about the good treatment that was to be given prisoners; he required everyone to care for the enemy wounded and other things of that sort. We reached the point of treating the enemy better than we treated ourselves. One day Fidel prevented us from trying a physician who was a torturer and who had killed a comrade of ours. After victory came the summary trials, the executions. There is in Cuba today the most ruthless and brutal repression that can be imagined.

VEJA: In your opinion, then, Fidel changed shortly after the Sierra Maestra period?

Franqui: No. I think he always favored repression. I know he wrote about Robespierre when he was in prison in 1956. He wrote that terror must be absolute, implacable.

VEJA: Fidel's humanism during the guerrilla period would have been, then, merely a tactic for forging a favorable image?

Franqui: Our victory over Batista's army was not a military victory but a political one. The way in which prisoners and enemies in general were treated was a strong inducement for surrender of Batista's army.

VEJA: Do you think Fidel also acted in a deceptive way in regard to his political convictions?

Franqui: Fidel himself declared that if he had said at the beginning of the revolution that he was a communist, the people would not have supported him.

VEJA: But was he or was he not a communist?

Franqui: I think Fidel was and continues to be merely a Fidelist. Communism is merely an instrument that he finds useful for exercising power.

Nicaragua Repeats Cuban Case

VEJA: If he was only out for himself, does this mean that Cuba's rapprochement with the Soviet Union was a reaction to the measures taken by the United States, such as the economic blockade and the invasion threats?

Franqui: The rapprochement did not happen only as a reaction to U.S. pressure. Nor was this alliance all that essential for Cuba's survival, as was said at the time. There were many people who wanted a narrower and more bureaucratic revolution. The same thing is happening in Nicaragua, where a minority group--the Sandinists--is taking power away from the other elements. Moreover, just as in Cuba 20 years ago, talk about the threat of a U.S. invasion has begun. In Nicaragua they are following Fidel's advice: no executions, no quarrels with the Catholic Church, no nationalizations. But little by little the Sandinists are beginning to liquidate opposition groups. They are shutting down newspapers, prohibiting other political movements and so on and so forth.

VEJA: But if Fidel has an inordinate ambition for personal power, why did he ally himself with the Russians? Acting independently, wouldn't he have been in a much better position to distinguish himself?

Franqui: If there is one thing I never could understand, it is why Fidel Castro never embraced the idea of a new, original movement that could have influenced Latin America and the entire Third World. When the Cuban Revolution became victorious, circumstances would have permitted this. It was a new revolution that was well-regarded everywhere. I never understood why he did not wish to be the leader of a movement with greater historical perspective.

VEJA: Perhaps he thought such plans would not be feasible...

Franqui: I don't think so. I think that to understand Fidel, his attitudes, his audacity, the way in which he takes the risk of sending troops to places where the Russians did not dare send even a single soldier, one must bear in mind that he is a military man. A military man with a political point of view, but a military man. War is Fidel's climax. In a letter he says that the purpose of his life is the war he is provoking against the United States.

VEJA: But, without the Cuban alliance with the Russians, wouldn't the United States have invaded Cuba?

Franqui: I don't think so. To my mind, the United States did not invade Cuba because it was certain the Cuban people would fight to the death.

VEJA: But in your book you yourself say there were armed attempts to depose Fidel. Didn't the United States support such initiatives?

Franqui: None of the guerrilla movements in Cuba so far, participated in by many thousands of fighters, received U.S. support. These movements have a nationalistic character and it is not in the interests of the United States to support them. This is what is now happening in Poland. It is in the interests of the United States that there be a movement of Polish workers, but not that it succeed, because it will not restore capitalism. Rather, it will create something original, a new path for other peoples.

VEJA: Are you including the internal movement for liberalization of the Cuban regime in the same category as the movements underway in Poland, Romania and other nations of the socialist camp?

Franqui: Yes, although conditions are not exactly the same. It must first be noted that in Cuba destalinization has not yet begun, as it has in the nations of the Soviet bloc. Destalinization is a defense for the leaders, the bureaucrats themselves against the chief of state's despotism. It therefore is a movement with strong party support. We must also emphasize the importance for Cuba of Cubans living outside the country. We cannot forget that in Miami there are 1 million Cubans, which is 10 percent of the island's population. One of the few political errors that Fidel Castro made was to let these persons visit their relatives. This destroyed all the propaganda that painted the exiles as poor, mistreated underdogs. This error is what led to the mass exodus of Cubans from the island last year.

Visits to Cuba Remote-Controlled

VEJA: If the situation in Cuba is so calamitous, how do you explain that so many persons who visit the country, many of them acknowledged to be trustworthy, praise the Fidel Castro regime highly?

Franqui: Such persons are really speaking of the miracle they would like to have seen. Furthermore, visits are remote-controlled, they are not free--beyond the fact that it is difficult to understand a communist country. My first glimpse of the Soviet Union gave me an impression that had no resemblance to Soviet reality. I figure the Cuban bureaucracy today has 1 million persons, mostly people from poorer sectors of Cuban society. Of course their living conditions have improved and this impresses visitors. Finally, there is Fidel's personal magnetism, which is undeniable, and the fear people have of complaining.

VEJA: Do you agree with the ideas of the Cuban counterrevolutionary groups in Miami that want to depose Fidel and restore the capitalist system to the island?

Franqui: No, I do not agree with a return to the past. If I have any longing, it is a longing for the future, not for the past. I know the Cuban people are fighting for their freedom, against militarism, against the domination of the Soviet Union, against hunger. And I am confident they will be able to find a way, a new option, a better future.

FIVE-YEAR REPORT ON SANTIAGO PROVINCE NOTED

Havana BOHEMIA in Spanish 6 Nov 81 pp 8-13

[Article by Lino L. Perez; see also JPRS 79609, 8 December 1981, No 2413 of this series, pp 32-66]

[Text] Santiago de Cuba exudes history. There were the first wars for national liberation in the last century, the bold attack on Moncada barracks by a group of young soldiers in 1953 and the underground popular struggles in the 1950's.

In addition to its leading role in events of extraordinary historic importance, Santiago can cite the transforming work of the revolution.

More than 917,000 people live in an area of 6,343.2 square kilometers, according to 1980 demographic statistics. This means the province is second in the country to Havana City.

About 49.5 percent of its total population is female and more than 49 percent of the people is of working age. The population density is 144.6 people per square kilometer.

According to the old administrative division, Oriente had 13 regions and 120 municipalities. With the introduction of the new DPA [Political Administrative Division] in 1976 combining five provinces, Santiago de Cuba had nine municipalities.

It is bordered on the north by Granma and Holguin Provinces, on the south by the Caribbean, on the west by Granma and on the east by Guantanamo. Its main geographic configurations are the Sierra Maestra and Valle Central.

The more complex of the two is the Sierra Maestra which has seven natural zones including Pico Turquino which is 1,974 meters above sea level.

Another of its segments has a narrow coastal plain. The majority of its inhabitants live on this southern slope. It has little rain and strong dry, hot winds that come down from the mountains.

Its main rivers are the Cauto, Guanicun, El Mogote, Turquino, San Juan, Contramaestre and Baconao. About 70 percent of its territory is mountainous. The

capital city which has the same name as the province is second in importance in the country.

Overall Economy

The provincial economy showed a positive increase in the 5-year period due to an average annual growth of about 6 percent in gross production which totaled more than 800 million pesos.

All the sectors experienced increases in activity, especially the industrial sector which increased about 7 percent.

Another important indicator, the cost per peso of gross production, decreased in the 5-year period by 3.8 percent. Productivity increased 5 percent while the average wage increased about 2.4 percent, an encouraging balance.

Investments in socioeconomic projects increased at an annual rate of more than 43 million pesos, most of which were in the production sector. About 38.1 percent went to the nonproduction sector.

The sectors that received the most investments were the industrial, agricultural and transportation and communications sectors although considerable amounts were also allocated to education, public health, social welfare and tourism.

About 25,000 construction workers finished important projects for development in general, including expansion of the asbestos cement complex and Units 3 and 4 of the Antonio Maceo powerplant as well as the Hector Pavon powerplant.

The long list includes a polyfoam plant, an IMS [Serbian Materials Institute] housing plant, a food paste factory, a plaster bandage factory, a complex for soft drinks, candy and ice, the Palma Soriano pasteurizing plant and several agricultural-livestock, school, social, highway and hydraulic projects.

Application of the General Wage Reform, a mechanism of economic stimulation that in merely 6 months increased the monthly pay of more than 140,000 workers, began in July 1980.

Although it is still not possible to measure and much less demand much from the SDPE [Economic Management and Planning System] because it is so new, its effects helped increase control, financial discipline, the understanding and responsibility of those who administer the people's assets.

Nevertheless, there is still a need to improve the quality of discussions and analyses of the guideline figures of the plan with the workers, particularly to include the opinions of the masses.

In 1980 the municipal budgets based on the provincial budget were established for the first time in order to reinforce government authority at that level and have the indispensable resources.

The material and cultural standard of living of the people continued rising as their monetary income and personal expenditures increased. The amount of domestic

appliances increased 59 percent compared to 1975 with the supply of televisions, refrigerators, fans, etc., being completely bought up.

The annual growth of retirement income, pensions and subsidies was about 9.7 percent, reaching almost 5 million in 1980.

Agricultural-Livestock Activity

The sugar industry increased at a rate of 8.6 percent annually in the 5-year period in the production of raw sugar. The increase of base 96 sugar was slightly higher. The final product, however, could have been better if it had not been influenced by a constant low utilization of grinding capacity in the eight mills in the province and a shortage in the cane supply.

Although the technical-economic plan was fulfilled in 1978 with 13 million arrobas more than the plan processed, the plan was not fulfilled in the next two harvests in spite of large cane harvests.

The agricultural area of Santiago de Cuba covered more than 305,000 hectares.

In spite of increases in produce from 126,000 quintals in 1976 to 500,000 in 1980, the plans were not fulfilled. This was also true in vegetables and grains. The yields in the peasant sector were extremely low.

On the other hand, the situation in the citrus branch was completely different. It had an average annual rate of growth of 31 percent and surpassed its sowing plans for the last 4 years.

The results obtained in the coffee recovery policy in the province which is the major coffee producer in the country are encouraging.

Protection of the flora, fauna and the environment acquired special significance in 1979 when a provincial committee was established. It immediately began to adopt measures for the preservation of these natural resources.

The first steps for the reforestation of river banks, hydrographic basins and marginal agricultural land were taken. Four expeditions to the Pico Turquino area were organized in order to collect animals to study. Also preparations to outline areas for natural reserves and inventory species in danger of extinction were begun.

The lack of resources and inadequate planning affected the food base for livestock and the objective to supply 5 metric tons of food to each animal during the dry season.

Consequently, reproduction--the basic livestock objective--was affected by the hay shortage. Although the plan for sowing pastureland was overfulfilled, the subsequent cultivation was not done well. Nevertheless, the livestock mass totaled more than 800,000 head in the 5-year period and increased about 1.4 percent annually.

In the first 4 years of the period, more than 80 million liters of milk were to be produced. About 79,135,000 liters or 99 percent of the plan was actually produced. It was only affected in 1979 by feed problems.

The beef production plan had 99 percent fulfillment. There was an increase in eggs which surpassed consumption estimates by 2 percent.

The cooperative movement was promoted in order to introduce technology on a large scale and use more land. As of May 1981, it covered 1,405 caballerias and had 2,950 members. Naturally, the yield per caballeria is much higher than it is on small parcels.

Basic Industry

An important sector in Santiago basic industry is the generation and transmission of electrical energy which showed a growth of 22.5 percent annually since Units II and III of the Antonio Maceo powerplant (formerly called Rente) went into operation.

Also 499.9 kilometers of 33,000-kilowatt line were constructed although the plan was only 386 kilometers. Minor socioeconomic objectives were achieved: electric supply for Chivirico, beginning of the Cruce de los Banos segment and elimination of more than 14,000 illegal connections.

In the chemical branch, the production of petroleum derivatives showed an increase of 1.4 percent annually in refining crude oil and domestic fuels like kerosene and liquid gas.

The same was true of mining and geology. The extraction of copper concentrate closed operations with an annual rate of growth of 9.5 percent in spite of the negative effects of the rains and the breakdown of mills.

Geological activity showed hardly any progress due to a lack of material base.

Construction

Although the technical-economic plans of the delegation of the Ministry of Construction went up and down, the average annual increase was 9.2 percent. During the 5-year period, the value of construction work rose to 702.8 million pesos.

There were 30 industrial projects and 93 educational projects. There was room for 76,000 more students in advanced, intermediate, primary and special schools and daycare centers.

Construction in the agricultural-livestock branch included 10 dairies in the municipality of Contramaestre, 2 genetic centers, 1 breeding center, 2 weaning centers, 1 reproduction farm, 1 poultry fattening center, 2 automatic laying farms, 1 breeding center for 400 pigs and 1 prefattening center.

The rise in construction not only meant new capacity but also diversified sources of employment and contributed to the satisfaction of other needs like 5,550 housing units for 25,700 people.

One constant in the daily work was state concern for public health. This materialized with the opening of modern units: two polyclinics to benefit 60,000 people, one old folks home and one home for the handicapped.

The hydraulic program had the objective of controlling large masses of fresh water, preventing river overflow and guaranteeing a stable supply of this precious liquid to the people and to agricultural and industrial centers.

For that reason, the expansion of Gilbert Dam in Palma Soriano was completed. Its capacity increased from 42.7 million cubic meters to 59.6 million. The Protesta de Baragua is in its final stage. It is one of the largest in the east and can hold 298 million cubic meters of water.

In the last 5 years, dam potential totaled more than 300 million cubic meters but estimates predict larger quantities with the planned work on Parada Dam in Santiago de Cuba. Its water supplies the industrial zone.

Although the social projects do not reflect the same force as the industrial ones do because of the levels reached, investments in this area total 25 million pesos. They include the Motel Guama, two gymnasiums and five swimming pools.

Work on highways and railroads was outstanding. It included 30 kilometers leveled, 28,000 meters paved and construction of 54.6 kilometers of highways under difficult conditions in mountainous zones.

In the great road project that will connect Santiago de Cuba with Granma and vice versa in the municipality of Guama, the construction workers leveled 32 kilometers on mountains and peaks.

The National Highway also progresses at different elevations from Santiago to Palma (40.5 kilometers) and from Palma to Babiney (64 kilometers). The most significant part so far has been the construction of the segment to Santiago and Dos Caminos where it was necessary to cut into Dos Bocas hill.

A national project of the UJC [Union of Young Communists] is the central railroad. More than 100 kilometers were leveled. This was the main project so that now railways can be built over 54 kilometers. There are also 76 minor projects and 27 bridges.

In spite of the fact that demand is still greater, 208.7 kilometers of water pipes and 10.6 kilometers of sewer pipes were installed.

Transportation and Communications

Large investments in the transportation sector permitted an improvement in service, particularly because of the incorporation of new buses and cars. However, efficiency was not in keeping with this effort.

For example, the railroad enterprise fulfilled its plan in value but not in physical units. In 1977, 1978 and 1979 it did not meet 50 percent of its schedule.

Railroad transportation moved more than 2.6 million people annually in the 5-year period. Freight transportation showed an average decrease of 0.7 percent or almost 1.8 million tons.

In spite of internal problems, commercial aviation had new routes to other towns and cities in the east with YAK-40's. The number of flights per year increased slowly.

Maritime transportation also evolved with an annual rate of growth of 1.1 percent in number of trips and 0.9 percent in number of passengers.

The port workers of Guillermo Moncada, the second most important in the country, had positive results in physical indicators. In the first half of 1980 alone, they broke their record for sugar exports by handling 82 percent of the annual plan in only 6 months.

The communications sector had one of the largest increases due to the automation of telephone service and the opening of new post offices.

In 1976, the demand for long-distance traffic rose to more than 1.7 million calls. In 1980, it went down slightly due to the decrease in pay telephones and the opening of automatic centrals in the municipalities of Mella, Chivirico, Mayari Arriba, Los Reynaldo and La Maya.

One project that brought electrical power to the mountains--the installation of the Tabacal tower--permitted television signals to reach the Sierra Maestra area.

In 1978, automatic teleselection began to operate in a single sense at present with Havana City and other provinces. This means a 30.3 percent increase in service.

Meanwhile, the post office and press branches had considerable increases. There was even a slight improvement in postal and telegraphic quality except in collections from rural mailboxes.

The implementation of bulk mail, money orders and telegrams was closely tied to the fact that the post offices took over the payment of social security, daycare centers and urban reform.

Distribution of the press showed a noticeable increase in a population that receives an annual average of more than 18 million newspapers.

Public Health

Drastic reductions in the infant mortality rate show the priority given to care for women and children. It went down to 19.3 deaths out of every 1,000 babies born alive; this is lower than in highly developed countries.

Medical care for the people increased with the construction of polyclinics. This, along with the existing 26 hospitals and an increase in the number of doctors and dentists, meant that consultations increased more than 3 percent. They totaled 3.8 million in 1980.

There are 1.26 doctors for every 1,000 inhabitants in the province.

There was slight progress in improving service, especially in the provincial units, but problems persist in polyclinics and rural or municipal hospitals.

Science, Culture and Educational Centers

A considerable portion of the Santiago people studies at the different levels and types of education from preschool to adult level. This led to a situation undreamed of in the past: more than 360,000 people--that is, 39 percent of the population--are students.

In the last three school years of the 5-year period, there was a progressive increase in enrollment, especially in intermediate and advanced education which had 102,300 students and 19,300 students respectively in 1980.

Meanwhile, primary enrollment began to decrease as did the enrollment of youths, as predicted. This demonstrates a correspondence between age and educational level of the students.

There was a slight increase in special education which had an enrollment of more than 3,000 by the end of the period. The number of centers for people with physical and mental problems increased from 19 to 27.

The efficiency of the educational system can be measured by the fact that, with some exceptions, there was a gradual increase in the continuation rate which averaged 97 percent.

The promotion rate was similar due to the improvement of the pedagogic and technical level of the teaching personnel, experience and application of better methods of control, demand and stimulus.

The surprising fact that the average annual enrollment has increased by about 3 percent compelled a special construction effort to assimilate this avalanche of students.

It was necessary to construct 2 primary schools, 4 semiboarding schools, 23 urban secondary schools, 20 rural secondary schools, 4 urban preuniversity schools, 6 rural preuniversity schools, 5 boarding polytechnical schools, 4 nonboarding polytechnical schools, 1 special school, 1 vocational school, 1 military school, 1 EIDE [School for Sports Beginners] and 19 daycare centers.

The improvement of the educational system included priority attention for the development of the first school cycle and stability in its teachers, in addition to care and preservation of textbooks.

There was outstanding work nationally for several school years. Some 4,199 primary teachers graduated from the Educational Advancement Institute--that is, all who should have graduated.

In its programs for scientific-technical development for society, the territorial delegation of the Academy of Sciences whose radius of action includes Guantanamo undertook 19 research topics and 26 special studies.

It also provided important services in disciplines as complex as meteorology, geo-physics, astronomy, geography, etc.

The laser beam satellite tracking station, the only one of its type in Latin America and the tangible fruit of socialist collaboration, began to operate in 1977. It has already supplied good photographs of Intercosmos satellites.

At the end of the 5-year period, new high sensitivity Soviet equipment to record earthquakes was installed. Just before, the construction and assembly of a laboratory for induced rain was begun in a region that is characterized by long, dry periods.

Since the new DPA, the material base for cultural activities expanded considerably, particularly in isolated towns like Guama, El Caney and El Cristo. Bookstores opened in Uvero, Los Reynaldo and similar areas.

For these objectives, a library, five houses of culture, two auditoriums, one art gallery, one theater and one museum were built. The amateurs movement experienced such a growth that, in only the last year of the 5-year period, more than 4 million spectators attended its functions.

The number of sports and recreational installations rose to 598 in 1980. The work of the Capitan Orestes Acosta EIDE and the Comandante Manuel Fajardo EPEF [Elementary Physical Education School], winner of the Inter-EPEF Games for the last 3 years, was outstanding.

In international events held during the 5-year period, Santiago people won 96 medals, 48 of them gold, including the one won at the Moscow Olympics by Daniel Nunez.

High-yield sports also showed local results in the sense that Santiago came in fourth in the National School Games in 1978 and 1979 and third in 1980.

Concerning the use of free time, recreational activities doubled in 1980 compared to the beginning of the period.

Consumption and Services

More than 61,000 Cuban and foreign tourists visited the province in 1977. This almost doubled in 1980 in accord with the predictions of the Santiago de Cuba Tourist Enterprise which also includes Guantanamo.

A polytechnical institute to train and retrain workers in the sector was established with intermediate technician courses in tourism and hotel work.

The food service and hotel service network recorded a rate of increase in sales of 7.4 percent and in the last years of the 5-year period there were diversified offerings. Nevertheless, there is still poor treatment and lack of hygiene in spite of the strong pressure to improve both aspects.

The food branch and the generation of electrical energy are the largest branches of the industrial sector. The annual rate of growth of the food branch is about 6.9 percent because of processing coffee, milk products and cereal products.

Although there are problems with packaging, the Milk Complex reached a 25.2 percent increase in ice cream and 13.5 percent in milk, yogurt and butter. The industry for canned goods, fruits and vegetables increased at a similar rate.

Production of the Meat Complex increased about 3.3 percent. The Noodle and Candy Complex began processing in spite of the fact that it is virtually just at the beginning phase.

There was an uninterrupted flow of products from the sea to the people from the Aquiculture and Distributing Enterprise. In the case of the fishing industry, there were problems due to a shortage of raw materials, especially for the construction of steel and ferroconcrete ships.

The economic activity of light industry was characterized by an average annual increase of about 3 percent. The Footwear Enterprise and Home Furniture Enterprise fulfilled their technical-economic plans.

Prospects

Planned investments in Santiago de Cuba for the 5-year period 1981-85 will help the province continue its path toward development in all aspects of economic and social life.

The most influential sector because of its gross production--the industrial sector--will be most benefited by the planned projects. There will be four in collaboration with the USSR and others will be expanded.

The largest project to be built with Soviet cooperation will be the largest textile factory in Cuba. It will cover an area of 440,000 square meters--equivalent to some 4 caballerias. At full capacity, it will be able to produce 80 million meters of cotton and polyester fabric with the possibility of producing up to 100 million when the fourth work brigade is implemented.

More than 8,000 workers will work on that installation. Its planned opening is 26 July 1983, the 30th anniversary of the attack on the Moncada barracks.

Another project in which Soviet experience will play a part is the construction and operation of two more 100-megawatt units at the Rente powerplant.

There will also be a meatpacking plant, citrus packaging plant, plant to produce medical equipment and expansion of the beer factory during this period in the province.

In agriculture, the goal is to constantly increase food production to achieve self-supply of the local population. The plan is to harvest at least 2 million quintals by the last year of the period.

Future work for coffee recovery will be important since, beginning this year, 300 caballerias of the Caturra high-yield variety must be planted each year.

Most of the social projects fall within the public health sector which will expand its health care network with new installations and will increase the educational capacity for training medical and dental personnel.

EARTHQUAKE RESISTANT BUILDINGS BEING BUILT IN SANTIAGO

Havana BOHEMIA in Spanish 6 Nov 81 p 10

[Text] One Santiago native, completely attached to its most obscure traditions, is convinced that tall buildings would not last long in his native city because of the effects of earthquakes.

Julio Juan Leandro y Cabranes does not waver from his obsession about earthquakes that, at one time or another, have been felt in the eastern region of the country.

Nevertheless, everything seems to indicate that his ideas and those of his countrymen will become history like a sort of legend or myth that will become less credible with the passage of time.

In spite of similar ideas, an earthquake resistant building of 18 stories was begun in the provincial capital in 1978. Its prefabricated parts were supplied by a modern IMS [Serbian Materials Institute] plant in Yugoslavia.

According to these specialists, the structures are capable of resisting tremors of up to 15 degrees on the MSK-1964 scale elaborated by scientists from the socialist community and approved by the International Union of Geodesy and Geophysics.

Only two IMS plants existed in Cuba, one in Cienfuegos and the other in San Jose de las Lajas. The one in Santiago de Cuba will permit expansion of the construction capacity by 1,500 apartments annually, 5.75 per day, when it is in full operation in the industrial development zone.

Its practical utility acquires an even greater value due to the fact that, in addition to housing, its parts are used for the construction of hospitals, offices and daycare centers, key services in increasing the standard of living of the people.

In order to confront the growing demand, the space problem and savings in land area in a city located in a valley, three 18-story buildings have already been constructed. There are eight planned.

The Geophysics and Astronomy Institute of the Academy of Sciences shows that the oldest and strongest earthquake felt in Santiago de Cuba occurred on 11 June 1766. One of the most recent was on 10 October 1968.

Despite the overwhelming arguments, Julio Juan Leandro y Cabranes is convinced about the advantages of multifamily buildings but still says: Yes, but....

NEW PORT DEVELOPMENT, IMPROVEMENTS

Havana PRISMA LATINOAMERICANO in Spanish Nov 81 p 26

[Article by Victorio M. Copá]

[Text] Cuba is at present implementing a significant plan for investments in its ports, including modernization of the Port of Havana which handles 60 percent of the country's imports.

During the early decades of this century several port installations were built, but after that this sector experienced practically no improvement at all, despite the increase in the volume of foreign trade.

These various maritime terminals were not deep enough to permit ships of heavy tonnage, especially supertankers, to enter.

When the revolution was victorious in 1959, the Port of Havana absorbed 70 percent of all imports, coming chiefly from the United States.

From that time on the government changed the nation's political and economic plans, a fact that had repercussions on foreign markets, cargo lists and the kinds of ships that arrived in the ports.

For the first time they began to make developmental studies, carry out projects, purchase equipment and work on auxiliary methods of port operation.

Among the latest construction projects and installations the country has completed are a grain elevator and the acquisition of floating cranes with a big hoist capacity.

Then too, the Cuban Ministry of Transportation has put modern tugboats and a number of highly mobile and productive gantry cranes into operation.

Millions of cubic meters have been dredged out of several of the country's harbors, wharves have been erected and port installations throughout the island have been improved and enlarged.

In accordance with the new plans that have been announced, kilometers of new docks that will increase loading capacity by millions of tons will be built in Cuba between now and 1990.

According to estimates, this investment program involves over 250 million pesos (over \$300 million) and includes the ports of Cienfuegos, Santiago de Cuba, Nuevitas, Mariel and Havana, the biggest in the country.

Research is also being conducted for new projects in the harbors of Nuevitas and Nipe, which are important reserves in the national port system because of their extraordinary natural conditions.

The projects it is anticipated will be carried out in the Port of Havana include the construction of container terminals and other installations equipped with the most up-to-date technology.

Like the rest of the Cuban ports, Havana had very outdated installations, in some cases dating from the 1930's and which are inadequate to absorb maritime traffic and cargo volume, which is steadily increasing.

Although innovational port projects like the modern grain elevator, the floating cranes with a hoist capacity of 100 tons and the gantry cranes for the modernization of loading and unloading have been completed, these improvements are at present insufficient for a country with an open economy like Cuba, where the ports constitute nerve centers that keep the island in vital contact with the outside world.

Other plans anticipated involve the acquisition of the technology and necessary equipment for mechanization in order to increase productivity in loading and unloading at Cuban ports.

The construction of the technical base for the maintenance and repair of equipment and introduction of new port technologies are also anticipated.

National and foreign engineers and specialists are working on the pinpointing and subsequent construction of a point for the mooring and unloading of oil-carrying supertankers with a deadweight of some 150,000 tons.

In connection with all this, projects are being worked on that will go into operation during the next few years, such as a dock for general cargo in Mariel, a wharf for fertilizers in bulk in Havana and others in Cienfuegos for general cargo, weighing, metals and roll on-roll off and container ships.

They are also working on the construction of a wharf in Matanzas, two for general cargo in Nuevitas and a dock on Isle of Youth for citrus fruits.

At the same time they are tackling comprehensive proposals for Nipe, the third-largest natural harbor in the world, Nuevitas and Siguanea for the purpose of determining their respective potentials.

Cuban ports, including Havana, which up until the mid-18th century was the only one authorized by Spain to conduct trade between the metropolis and its American colonies, are changing their outmoded appearance and putting on their productive and dynamic faces.

11,466
CSO: 3010/468

BRIEFS

USSR STATE SECURITY FOUNDING COMMEMORATED--Commander of the Revolution Ramiro Valdes, member of the PCC Politburo and minister of interior, presided over the main ceremony of the 74th anniversary of the Soviet State Security Organization. The ceremony took place at the Ministry of Interior headquarters where Brig Gen Fabian Escalante, member of the Central Committee, stressed the important role played by that organization in defense of the victories of Soviet power. [Text] [FL211427 Havana Domestic Television Service in Spanish 1208 GMT 21 Dec 81]

IRAQI SOLIDARITY--Havana (AIN)--The militant solidarity of the Iraqi people and government with Cuba was reiterated on 23 November 1981 by Arshard Toufik Ismail, ambassador of that Arab country, at a press conference held here. He expressed that this feeling is contained in the various messages delivered by him to Cuban Government officials, which had been sent by the leadership of the Arab Ba'ath Socialist Party and the Iraqi National Assembly. He also reiterated that his country's position is based on the concurrence of principles existing between the two nations, both full members of the Nonaligned Movement, as well as on Cuba's support for the Arab peoples' cause. [Havana GRANMA in Spanish 24 Nov 81 p 3]

FRENCH DELEGATION--Havana (AIN)--At Jose Marti airport on 23 November 1981 Jose Ramon Fernandez, vice president of the Council of Ministers, bid farewell to Roger Gouze, a leader of the French Alliance in Paris, who had completed a visit to Cuba. Also at the airport were Alfredo Guevara, vice minister of culture; Carlos Zamora, director of press and cultural relations at the Foreign Ministry and Hermes Caballero from the office of the vice presidency. Pierre Charasse, commercial attache at the French Embassy, was also on hand. [Havana GRANMA in Spanish 24 Nov 81 p 3]

CSO: 3010/334

BRIEFS

ARENA'S STAND ON AGRARIAN REFORM--"We are not opposed to the agrarian reform. What we oppose is the political reform that has been carried out," Maj Roberto D'Aubuisson, secretary general of the Nationalist Republican Alliance, ARENA, said yesterday at the luncheon of the Union of Leaders of Salvadoran Enterprises, UDES, at El Camino Real Hotel. "Moreover, we want the agrarian reform to be more thorough. We will actually give the peasants in the agrarian reform sector their land titles. In other words, we will give a nationalist spirit to the agrarian reform. We will also act in the favor of the sector that has experienced the expropriation. We will carry out a technical and peaceful agrarian reform," Maj Roberto D'Aubuisson said. "We want a free enterprise agrarian reform." He explained what his party would do with an agrarian bank in which the cooperatives should be the main stockholders. He criticized the fact that this sector currently has a 72 million colones deficit, a deficit that the IDB has "bought." The political leader also said that ARENA is against the nationalization of banks. Most of the shares should be in the hands of private citizens, D'Aubuisson said. He said that there should be a workers' bank which could receive annual quotas from the management sector to be used for indemnification payments for workers in accordance with their years of service.

[Text] [PA181825 San Salvador LA PRENSA GRAFICA in Spanish 17 Dec 81 pp 3, 26]

LABOR CRITICISM OF OPPOSITION PARTIES--Labor Leader Joaquin Ezequiel Manjivar told this newspaper yesterday that the political parties must keep their eyes wide open so as not to play into the hands of the leftists. He also said that the opposition political parties are carrying out actions which only favor the FMLN-Revolutionary Democratic Front (FDR) group just to weaken the power of the Christian Democrats. These actions have caused much harm to the people, he added. The leader said that the National Conciliation Party, PCN, the Nationalist Republican Alliance, ARENA, and the Popular Orientation Party, POP, all have the same principles. Although they have described themselves as nationalists, their attitudes help the maneuvers of the leftwing extremists. [Excerpt] [PA191514 San Salvador LA PRENSA GRAFICA in Spanish 18 Dec 81 pp 3, 71]

CSO: 3010/570

DEPUTY PRIME MINISTER REFUTES PROPAGANDA ATTACKS

FL141504 Bridgetown CANA in English 1805 GMT 13 Dec 81

[Text] St Georges, Grenada, 13 Dec (CANA)--Deputy Prime Minister Bernard Coard said here yesterday that, apart from military manoeuvres designed to threaten the People's Revolutionary Government (PRG), "imperialism" has recently launched a two-pronged propaganda assault against the (1979) Grenada revolution.

Delivering the feature address at the opening ceremony of a National Youth Organisation (NYO) Congress, Coard said the two prongs of the assault were, first, a charge that the PRG is practising torture and, secondly, that Grenada's economy has collapsed.

With reference to torture, Coard referred to a charge by the Trinidad and Tobago Human Rights Bureau that two detainees, Keith and Lyle St Bernard, have had their fingers and toes broken and their skin peeled off. The deputy prime minister said the bureau had made a serious mistake in naming two specific people as their cause would have been better served if they had continued to make vague charges of torture as they have in the past.

"This was a serious error", Coard said, "because it so happens that those two people (the St Bernards) have been appearing in court every week for the past three months, in the open high court of Grenada, where hundreds of Grenadians can see them walking in and out of court every day." Coard said the St Bernards friends have been visiting them and the doctor has been seeing them every day and, by being specific, those who made the charges of torture have been exposed themselves.

The deputy prime minister, who is also minister of finance, said it has been charged that Grenada's economy has collapsed. But he asked listeners to remember that Grenada now has free secondary education, free medical care and "people are writing us from other CARICOM territories begging to come to do eye transplant and other eye operations."

"What they are trying to do is destabilise the masses in the rest of the Caribbean", he said. "They are not going to destabilise the masses inside Grenada because the masses inside Grenada are feeling the concrete benefits of the revolution."

Coard said that, in every revolution, there were those who stand to lose as the revolution progresses, including those profiteers and exploiters who used to control certain prices before the coup.

The deputy prime minister referred to an "article" in the Trinidad EXPRESS newspaper, copied from the GRENADA NEWSLETTER, a production published by Grenadian journalist Alister Hughes who Coard described as "a member of the local ruling class before the revolution, from a number-one upper-class ruling family in Grenada, born to rule, they thought."

Coard criticised the news story, which was based on reaction of Grenada's commercial community to the minister's public statements, and he called Hughes a "number one twister, distorter, liar...."

In an interview in October, Coard had said Grenada's economy was in relatively good shape, that "there will be rapid growth in the economy over the next three years" and "the country has managed to withstand a severe economic crisis by diversifying its economy."

Sectors of the commercial community interviewed by the GRENADA NEWSLETTER disagreed with his assessment and said, while there have been welcome improvements to Grenada's infrastructure, these could not be classified as "diversifications" to the economy.

They said also the construction trade was in very bad shape, that the business community was achieving negative growth and that it was a "dream" to talk of rapid growth over the next three years.

Answering these statements, Coard said the PRG had initiated the "beginnings of serious progress" in the building of the island's infrastructure and, over the next three years, "tremendous advances" will be seen in this connection.

"That is a fact", he said, "and no amount of imperialist propaganda is going to change the fact."

The minister of finance said he has "preliminary data" from the International Monetary Fund (IMF) with reference to Grenada's economy which, he said, will "make it very hard for imperialism and their stooges and lackeys like Alister Hughes to deal with."

According to the IMF, Coard said, Grenada had "growth rates" of 5 percent in agriculture, forestry and fisheries in 1981, 20 percent in mining and quarrying and 14.5 percent in the construction industry.

The minister said the IMF had originally estimated that Grenada's economy would have negative growth in 1980 and 1981, but it has now been determined that the island's economy grew by 3.1 percent in 1980 and 2 percent in 1981.

Some Grenadian businessmen certainly have less trade and profits than before, Coard said, and this is because the National Importing Board has taken over some 8 to 9 million East Caribbean dollars in trade in basic items.

The benefits from this go to the people in the form of cheaper prices, the minister said, and the businessmen were confusing their own economic situation with that of the state.

"These exploiter elements who are the sources of Alister Hughes misinformation and propaganda destabilisation in the area of the economy," he said, "clearly believe that what is good for them is good for the country and what is not good for them is not good for the country."

The deputy prime minister said the economy must have the highest priority in 1982 and beyond, and he urged the NYO to give this subject serious consideration in the deliberations at the congress.

CSO: 3025/1011

BRIEFS

DUTCH EDUCATIONAL ASSISTANCE--St Georges, Grenada, 20 Dec (CANA)--The government run centre for popular education in Grenada is to receive assistance from Vastera-lute, a Dutch agency, according to the secretary of the Agency for Rural Transformation Regina Taylor. Miss Taylor said that the Dutch agency has approved funds which will be channelled through the agency for rural transformation, set up earlier in the year by the Grenada Government to coordinate development programmes for rural mass organisations. She said that the funds are to be used on an exchange literacy programme between Grenada and Nicaragua and will run for a period of two years beginning next year. The centre for popular education was launched last year by the leftist People's Revolutionary Government (PRG) of Grenada to wipe out illiteracy in the country. [Text] [FL211427 Bridgetown CANA in English 1445 GMT 20 Dec 81]

BISHOP CONGRATULATES PERU'S DE CUELLAR--St Georges, Grenada, 17 Dec (CANA)--Prime Minister Maurice Bishop of Grenada has sent a congratulatory message to the newly-elected secretary-general of the United Nations Javier Perez de Cuellar. According to a release from the Foreign Ministry, Mr Bishop said in the message that the election of the Peruvian-born diplomat to the post signified a major triumph in the struggles of the Third World to demonstrate that it can produce statesmen, scholars and public servants of the most distinguished calibre to serve the international body at all levels including the highest. The message said that Mr Bishop felt that the new secretary-general's diplomatic skills and his sense of justice and even-handedness had been given a resounding vote of confidence. The prime minister also said that his leftist People's Revolutionary Government (PRG) whole-heartedly welcomed the opportunity to work with Mr De Cuellar through Grenada's permanent mission at the United Nations "for the fulfillment of mankind's most fervent hope for peace, happiness and social well-being." The Peruvian diplomat is expected to assume duties early next month replacing Dr Kurt Waldheim. [Text] [FL171547 Bridgetown CANA in English 1439 GMT 17 Dec 81]

CSO: 3025/1011

GUYANA ON KABALEBO PROJECT

FL162220 Bridgetown CANA in English 1927 GMT 16 Dec 81

[Text of Guyana Government statement issued in Georgetown--date not given]

[Text] Georgetown, Guyana, 16 Dec (CANA)—Representatives of the Republic of Suriname, who attended the sixth session of the Caribbean Development Cooperation Committee in Grenada from November 4 to 10, 1981, used that occasion to raise certain matters affecting the bilateral relations between Guyana and Suriname.

In his general statement to the meeting, the permanent secretary, Ministry of Foreign Affairs of Suriname stated inter alia, "whilst we are working here towards cooperation and integration, last week we experienced violation of our territorial integrity and military attacks by our neighbour Guyana."

There were other issues of a bilateral nature raised by Suriname, at the Caribbean Development Cooperation Committee meeting in Grenada, and also later on November 13 at a meeting in Santo Domingo of OLADE, the Latin American Energy Organisation.

As on both occasions there was a misrepresentation of facts, it has become necessary for the Government of Guyana to set the record straight, especially on the matter of the Kabalebo hydro-electric project which Suriname wishes to establish, and which Guyana supports.

The Government of Guyana, as it has already done in the course of diplomatic exchanges with the Government of Suriname, categorically rejects the allegations of violation of the territorial integrity of Suriname and military attacks as unfounded in fact.

It is also regrettably unhelpful to Guyana's consistent efforts to strengthen good neighbourly relations with Suriname.

As has been irrefutably established, the so-called violation of the territorial integrity of Suriname referred to nothing more than the landing at Zandery international airport in Suriname of a Government of Guyana plane piloted by members of the Guyana defence force on a commercial charter to take live pigs to Suriname, prior permission for the flight having been sought and obtained, the customary landing fees having been paid, and the necessary inspection of the cargo, having been carried out on arrival by Suriname veterinary authorities.

Would a plane engaged in an act of aggression, a violation of territorial integrity of a country, be required to pay landing fees as the Government of Guyana plane in question was required to do?

As regards the accusation of so-called "military attacks," this presumably referred to an earlier official complaint that shots were fired at a Suriname military outpost in Courantyne from the Guyana side.

It has already been made clear to the Government of Suriname that most thorough investigations by the relevant Guyanese authorities revealed that no such incidents took place.

These facts have already been made public.

With respect to the Kabalebo hydro-electric project, Guyana's position has always been clear--Guyana supports Suriname on the project subject to reasonable safeguards of Guyana's legitimate interests in her present and future use of the waters concerned.

As the Guyana/Suriname summit meeting in Barbados in April 1979, a memorandum of understanding on certain bilateral matters was signed by the two prime ministers (then Forbes Burnham and Henk Arron) participating in those talks.

On the Kabalebo hydro-electric project, the memorandum had this to say: "The Government of Guyana recognises the intention of Suriname to implement the Kabalebo hydro-electric project and expresses itself to be positively disposed towards the further preparation and implementation of the project.

"It is recognised that there is need for an ecological study to be done before the project is implemented in order to ascertain what will be the ecological effects on both countries at the development of the project and it is accordingly agreed between the two governments with a view to minimising possible negative ecological effects of the implementation of the project, taking into account the interests of both countries."

Immediately thereafter, diplomatic channels were used to establish proper modalities for implementing the Barbados understanding on the Kabalebo project as well as on other issues raised.

Thus, at the first meeting of officials from both countries held in Paramaribo from July 13-19, 1979, on Kabalebo, a comprehensive memorandum of agreement was signed. That memorandum set out in detail the terms of reference of the joint study group, including the extension to Guyana of a study on the ecological effects of the proposed Kabalebo hydro-electric project which the Government of Suriname had earlier initiated in respect of its own territory.

As part of the memorandum of agreement, Guyana was asked to provide insofar as it was available various kinds of information including the "relevant data on present and future domestic and industrial water use (river water and ground water along the Courantyne)".

Guyana cooperated fully in all the studies. Since the first meeting, four other sessions were held, the last being in May 1981 in Georgetown, Guyana. At that May meeting, the two sides agreed to submit a report to the respective governments as was required by the memorandum of understanding of 1979.

It is apposite to note that the report of the study group indicated a number of remedial and/or appropriate measures which should be taken to obviate and minimise the ecological effects of the Kabalebo project.

The joint submission likewise noted that the Guyana team emphasised that "possible unforeseen adverse environmental effects would have to be subject to mutual consultation between the two teams to take appropriate measures to minimise such additional effects."

At the meeting of the study group in May 1981, the Suriname side handed over a draft "no objection agreement" relating to the Kabalebo hydro-electric project for study by the Government of Guyana.

The examination of the "no objection agreement" by the relevant authorities of the Government of Guyana had not been concluded at the time of the visit of the Minister of Foreign Affairs (Rashleigh Jackson) of Guyana to Paramaribo on July 3 and 4, 1981.

Consequently, in discussing this question with his Suriname counterpart (Harvey Naarendorp), Cde Jackson indicated that Guyana might have some proposals for modification of the draft agreement.

However, as a manifestation of the goodwill of the Government of Guyana, it was agreed that the draft agreement would nonetheless be initialled, as distinguished from being signed, and that steps would be taken for its finalisation, including signature, after the Government of Suriname had received comments from the Government of Guyana on some of its provisions.

Within a matter of days, in the expectation that agreement could be reached to permit signature no later than July 11, 1981, the comments of the Government of Guyana were communicated to the responsible authorities in Suriname.

The Government of Suriname responded promptly, accepting some of the suggested amendments proposing alternative formulation of others, and expressing objection to one of them.

The differences were such as to make signature impossible as earlier anticipated on July 11, 1981.

Yet the very nature of the Suriname Government's response to the proposals put by Guyana was itself an acknowledgement that there was substance in the Guyana position.

The Government of Guyana views with satisfaction the fact that the Government of Suriname proposed alternative formulations, in the belief that by so doing the Government of Suriname demonstrated a readiness to engage in the negotiating process to resolve the outstanding issues.

As a result, the Government of Guyana has suggested through diplomatic channels that officials from the two countries should meet to iron out the necessary textual amendments to the draft agreement proposed by Suriname.

It is noted with regret that representatives of Suriname at the Grenada and Santo Domingo meeting were unable to represent accurately certain other aspects of Guyana's position on the Kabalebo hydro-electric project.

They erroneously sought to compare Guyana's constructive position on the Kabalebo hydro-electric project and the totally unfounded stance adopted by the Government of Venezuela in relation to the upper Mazaruni project.

Let it be recalled that the Venezuelan Government in pursuit of its claim to over two-thirds of our territory, issued a formal statement on the 4th of April this year expressing its objection to the development of the upper Mazaruni hydro-electric project which lies in the Essequibo region, the area claimed by Venezuela.

Furthermore, in June this year, the Venezuelan Government sent a letter to the World Bank expressing its disapproval of and objection to any assistance which the World Bank may contemplate in promoting the development of that project.

Added to this, the Venezuelans have mounted an intense campaign at a diplomatic level seeking to alert countries, international lending institutions and large corporations which might have an interest in assisting in the development of the upper Mazaruni hydro-electric project, indicating Venezuela's objection to the development of that project.

This, as the Venezuelans see it, is in pursuance of their claim to two-thirds of Guyana's territory in which live one-third of the Guyana population.

The upper Mazaruni hydro-electric project lies entirely within the territory of Guyana and depends solely on sources within Guyana for its water. Furthermore, the upper Mazaruni hydro-electric project when completed will have no adverse ecological effects on Venezuela.

The Kabalebo project, by contrast, will, when implemented, utilise water from a river used by both Guyana and Suriname, and will depend, in part, on water resources that originate entirely within the territory of Guyana.

Furthermore, the Government of Guyana has repeatedly indicated publicly its political support for the realisation of the Kabalebo hydro-electric project. This has been done on several occasions.

For example, at the 11th meeting of the ministers of OLADE held in Bogota, Colombia, the minister of energy and mines, Cde Hubert Jack, said on November 28, 1980 "Guyana is on record--we place it on record here as well--that we do support Suriname in the development of its Kabalebo project."

This assurance was repeated in Paramaribo in July of this year by an expression, by the minister of foreign affairs, Cde Jackson, of the preparedness of the Government of Guyana to support the Government of Suriname in its approach to the International Bank for Reconstruction and Development with a view to facilitating the speedy implementation of the Kabalebo hydro-electric project.

The Government of Guyana has no interest in standing in the way of Suriname in her desire to implement the Kabalebo hydro-electric project.

The Government of Guyana naturally requires, however that in the implementation of the project the interests of the people of Guyana should be reasonably catered for and respected.

The Government of Guyana has therefore a proper responsibility to its own people to ensure that the "no objection agreement" to be signed takes account of the interests of Guyana within the ambit of the 1979 Barbados memorandum of understanding and subsequent discussions, memoranda and agreements on this issue.

If the Government of Suriname desires likewise, the Government of Guyana is willing to continue the process of discussion and negotiation with a view to reaching an early conclusion enabling the "no objection agreement" on Kabalebo to be signed on the basis of mutual consent freely arrived at.

A communication expressing the willingness of the Government of Guyana to engage in such discussions at the early date has already been sent to the relevant Suriname authorities.

The Government of Guyana reiterates its firm desire to maintain and develop friendly relations with the Government of Suriname.

CSO: 3025/1011

PNH ASKS FOR NULLIFICATION OF 29 NOVEMBER ELECTIONS

PA181657 Tegucigalpa Voz de Honduras Network in Spanish 1145 GMT 18 Dec 81

[Text] As was announced, the Central Committee of the National Party of Honduras [PNH] yesterday presented the documents to the national elections tribunal requesting that the results of the general elections held on 29 November be rescinded.

The extensive documents presented by lawyer Nicolas Cruz Torres state among other things the following: Request the nullification of the general elections held throughout the country on 29 November 1981 [passage indistinct due to break in transmission]...for president, those designated to the presidency [designados a la presidencia], deputies of the national congress, members of the municipal councils, based on the following actions and legal provision that indicate error or fraud on the vote count which determined the results of the elections.

The documents presented to back up the request for the revision of the election results include a list of these actions.

In conclusion, the documents state: To the Honorable National Elections Tribunal: I respectfully request that it admit these documents with the attached documentation and that this suit for the nullification of the 29 November 1981 general elections for president, those designated to the presidency, deputies of the national congress and members of the municipal council, be declared open. I request that the evidence to which I referred earlier be [word indistinct] and that this file be opened for evidence and that in view of the evidence that is received, the 29 November 1981 general elections be declared absolutely nullified. (?Bearing in mind) the ruling that will be issued, the Honduran people will once again be opportunely called to participated in elections when the violations of the republic's constitution and the electoral and political organizations law are corrected so that the people will have definite guarantees that they will exercise a free and honest suffrage. I am attaching proof issued by the secretary of the PNH Central Committee accrediting me as its representative. Tegucigalpa, 16 December 1981. Nicolas Cruz Torres, lawyer of the PNH Central Committee.

CSO: 3010/571

'GLEANER' REVIEWS U.S.-CARIBBEAN COOPERATION

FL112100 Kingston THE DAILY GLEANER in English 8 Dec 81 p 6

[Editorial: "U.S. Caribbean Co-operation"]

[Text] In a message to the fifth Caribbean conference on trade, investment and development in Miami last week American President Reagan has reaffirmed his administration's strong commitment to U.S.-Caribbean basin co-operation. However, as President Reagan's chief trade representative, Mr William Brock, told the same conference, any economic formula would not lie in some grand American design but, instead, in well planned, significant co-operative action. In other words, countries cannot expect hand-outs, but must take part in mutually beneficial and integrated development policies.

U.S. economic policies, in particular its restrictive trade policies, legislative measures which have inhibited capital investment in developing countries, and the deliberate high interest rate policy now being pursued, have been a major source of concern to the weaker economies of the region. It was only last week also that members of the Latin American Economic System (SELA), meeting in Panama City, issued a declaration on the mounting surplus balance in U.S. trade with the rest of the region. The fact is that the U.S. imports relatively little from the rest of the world as reflected in its low ratio of imports to gross domestic product--9.0 percent compared with, for example, 22 percent for West Germany and 21 percent for France, its OECD partners.

The Reagan administration must overcome the very powerful farming lobby, for example, if it is to effect the proposals for the liberalisation of trade between the Caribbean basin and the U.S. market-place. But the dismantling of complicated trade barriers is essential to regional economic co-operation. Access to the U.S. market for Jamaican agricultural products, for example, would be a major impetus to agricultural and rural development here as well as to the projection for sustained economic recovery from the rapid decline of the last decade. The impact on investment in the region would be incalculable as the free trade area, in the words of Prime Minister Seaga, would mean a magnetising of global capital flows into the region.

The level of growth which Jamaica and the rest of the open economies of the region need to, at least, ensure a gradual improvement in standard of living, and political

stability, must come from co-ordinated policies on trade, investment codes and financial flows, rising interest rates which are expected to increase Third World debt service by a further 22 per cent (to some U.S.\$111.7 billion) in 1981 suggest that the answer to the resource needs of economies like Jamaica's cannot be in an increase in borrowing. This only creates a money illusion.

The clearest demonstration of the commonality of interest between the U.S. and the Caribbean basin of which Prime Minister Seaga has spoken would be in the development of economic policies with growth prospects. If the American economy grows then the rest will grow and if the rest slumps the region slumps. It will take time, but the positive co-operation is not impossible.

CSO: 3025/1011

BRIEFS

POLICE WANT ANTI-GUERRILLA SQUAD--Kingston, Jamaica, 20 Dec (CANA)--The Jamaica Police Federation wants the formation of an anti-guerrilla squad within the force, and the upgrading of the special (intelligence) branch with help from the United States, Britain and Israel, according to federation chairman, Charles Simpson. The police federation acts as a trade union for rank and file policemen. Mr Simpson, a sergeant, told a federation conference that a country's economy could not boom or progress beyond the measure of its security, hence the call for improvement. The Edward Seaga government said recently that it had uncovered plots for Cuba-trained terrorists to disrupt the administration's free enterprise strategy, so that economic recovery would fail. The aim is to ensure the return to power of the left in Jamaica, the government has charged. Mr Simpson also put aside the sociological arguments of poverty and its attendant hardships as the cause for "the vileness in the society." What he felt was the main cause was the loss of influence by the church, and the exploitation of people's poor circumstances by the politicians. [Text] [FL211315 Bridgetown CANA in English 1530 GMT 20 Dec 81]

CSO: 3025/1011

COMMISSION MEMBER QUESTIONS CANAL'S DEFICIT

PA112127 Panama City MATUTINO in Spanish 11 Dec 81 pp 1-A, 2B

[Article by Roberto R. Rodriguez]

[Text] The contradictory and surprising deficit in the administrative operations of the Panama Canal makes it necessary for administrator Dennis McAuliffe to offer a detailed explanation to the members of the Canal Commission board of directors, Tomas Paredes pointed out in commenting on the quarterly report of this binational organization.

Paredes said this explanation must reveal the procedures that were used to project the number of transits and income against the real and effective capacity of the Canal.

The Panamanian member of the commission's board of directors asked for a clarification as to whether or not the commission is working on the basis of an operations budget based on unreal projections which exceed the Canal's earning capacity.

"It is difficult to accept from any administrator losses in an operation which year after year has shown increased levels of transit and income," he said.

Speaking on behalf of the Panamanian Government, Paredes pointed out that it would be better for the reputation of Mr McAuliffe as well as for the tranquility of the Panamanian people if those funds unrelated to the Canal operation and which are charged to the Canal Commission's expense budget by the unilateral decision of the United States of America were separated from the commission's general balance sheet.

Agreeing with Presidency Minister Ricardo Rodriguez, another member of the Panamanian group within that binational entity was emphatic when he said that U.S. Congress intervention in the Panama Canal administration through the process of budget approval carries serious negative effects.

"The preparation, approval and execution of the Canal budget cannot be subject to political considerations which jeopardize its efficient operation," he added, after indicating that this attitude ignores the commercial and binational nature of the Canal Commission to the detriment of world maritime traffic.

Referring to the projected toll increase for October 1982, he reiterated that Panama is opposed to punishing Panama Canal customers through this toll increase.

He commented that the measure is not justified when the Canal expense budget continues to be taxed with charges unrelated to its operation. He added that in order to find other alternatives to this increase, it is necessary to establish and develop a policy which is consistent with the present and projected transit level.

"Rather than a toll increases, a minimization [as published] in the efficiency of the Canal operations is necessary."

CSO: 3010/571

PLAN FOR POLICE 'LIAISON OFFICIALS' SCORED

PA211808 Panama City MATUTINO in Spanish 21 Dec 81 pp 4A, 8A

["Vox Populi Vox Dei" column by Luis Restrepo Rosas: "Policemen Without Uniforms"]

[Text] The Torrijos-Carter Panama Canal treaty ended the colonialist enclave known as the Panama Canal Zone. However, the new administrative organ of the canal, the Panama Canal Commission, insists on maintaining--as a damned inheritance from that enclave--some colonialist remnants, such as the protocol office, which was recently denounced by Panamanian members of the commission's board of directors. Another remnant is the Panama Canal SPILLWAY, which used to be the official public relations organ of the "government" of the colonialist enclave. The SPILLWAY is published illegally since it is not registered in accordance with the laws of the Republic of Panama, which are the ones that apply in the Canal area.

In its 4 December edition, the SPILLWAY published a report on a meeting between the administrator of the Panama Canal Commission and the representatives of the Residents Advisory Committee (RAC).

I must explain that the so-called RAC is nothing but the civic committees of the former Canal Zone with a different name. The report we are talking about notes that "during the RAC meeting, a request was made that some U.S. officers be appointed to the liaison unit in the Atlantic sector."

I must formally and publicly charge that these liaison officers are "policemen without uniforms that the United States wants to maintain in Panama after 31 March 1982, the date on which U.S. jurisdiction in Panama must be completely ended."

Here is evidence of what I have stated:

There are plans for implementing a scheme prepared by Dwight Mackabney, Ray Laverty, Fred Cotton, Mike Gordon, Dick Morgan and other stubborn Zonians, who, with the approval of administrator McAuliffe, have been creating a police unit called "liaison officials." This unit would begin functioning on 1 April 1982, the date when, based on the treaty, the sinister U.S. police must disappear forever from Panama, and when the national guard should, for the first time, assume its full function on every inch of the national territory.

The "liaison officials" would have vigilance functions, supervise the activities of the national guard in the Canal area, conduct investigations and do intelligence, or rather espionage, work.

The document that serves as the basis for the plan described above is known by officials of the national guard and the Panama Treaty Affairs Executive Directorate, DEPAT, which have already strongly and firmly cautioned that they will not accept any meddling by the Panama Canal Commission or by any other U.S. agency in their police functions in the Canal area.

Prior to this, the "Zonians" had already tried to have the national guard and other Panamanian Government agencies operating in the Canal area as a result of the recovery of jurisdiction, commit themselves, in writing, as to the type of public services they would provide and to the extent of these services.

This absurd pretension, just like the one on the "liaison officials," has already been rejected by Panama. Panama will never accept it.

The above is evidence of the continuous machinations of the "Zonians," of the complicity of the administrator and of the need for remaining alert to firmly and publicly denounce any attempt to take a step backward and destroy something for which Panamanians have made so many sacrifices.

CSO: 3010/571

APPRECIATION FOR PEREZ DE CUELLAR APPOINTMENT EXPRESSED

PY180201 Paris AFP in Spanish 0116 GMT 16 Dec 81

[Text] Lima, 15 Dec (AFP)--Peruvian Foreign Minister Javier Arias Stella tonight reported that today Peru thanked the foreign ministers and delegates from the 15 member countries of the Security Council for supporting the election of Peruvian Ambassador Javier Perez de Cuellar as UN Secretary General.

Arias Stella voiced his special obligation to the attitude of the five great powers--the United States, the USSR, England, France and China--which did not make use of their right to veto Perez de Cuellar and which supported him after the withdrawal of outgoing Secretary General Kurt Waldheim and Tanzanian candidate Salim Salim.

Arias Stella revealed that Perez de Cuellar's candidacy was first considered about 2 months ago, when he attended the UN Assembly and he realized that the two original candidates would face opposition.

He added that only after the withdrawal of the latter was Perez de Cuellar's candidacy formally submitted, but in the meantime negotiations were carried out with the 15 members of the Security Council.

He also said that President Belaunde Terry, who talked to Francois Mitterrand, participated in the negotiations, together with the ambassadors to those nations. But the successful outcome of the process--he affirmed--was due to Perez de Cuellar's personal qualifications.

He explained that Perez de Cuellar's success was also brought about by the Peruvian Foreign Ministry's policy toward the other countries, and to the fact that Peru is undergoing an exemplary democratic process despite its domestic problems.

Finally, he said that in keeping with a decision made by President Belaunde, Peru will convey its thanks to the foreign ministries of the 15 countries of the Security Council through individual notes to be sent to each country.

CSO: 3010/544

PERUVIAN PAPER ON PERUVIAN FOREIGN POLICY

PY182146 Lima EL COMERCIO in Spanish 10 Dec 81 p A2

[Editorial: "Diplomatic Relations"]

[Text] The exclusive statements by Foreign Minister Dr Javier Arias Stella to journalist Ricardo Sanchez Serra of the newspaper ULTIMA HORA of Buenos Aires have been read with special interest. They are comprehensive and offer quite a few new things and causes for reflection.

The foreign minister explained, for example, that Peru--a signatory of the Antarctic treaty--aspires to a greater international presence in that area. "We must think about Peruvian exploration," he said. He added that a program whose preparation might take about 2 years was "being pondered and coordinated with the Navy Ministry."

The Foreign Ministry might have equally expansive plans in other ways. To the journalist's incisive questions, the foreign minister totally discarded the possibility that the PLO's office which operates in Lima would be recognized diplomatically; but he made known that the exchange with the regime of Kim Il-song of North Korea is continuing to be seriously considered at Torre Tagle, as well as the creation of new [diplomatic] missions in Kenya--due to its great capacity in relation to other African countries--and in Singapore, which might come to act as a bridge to the Southeast Asian Treaty Organization [as published].

Concerning North Korea, the journalist noted that the missions of that country have been expelled from various countries (Argentina and Chile in particular) for supporting subversion, and also for trafficking in narcotics (in the case of the Scandinavian countries) or for smuggling. This last occurred in Peru in 1977, as the foreign minister realized.

Nevertheless, the foreign minister said that "they--the North Koreans in Peru--are very actively trying to get the status of their mission elevated." He added "Effectively Peru has on the agenda of its future diplomatic acts the elevation of this mission to the establishment of diplomatic relations."

While it really is plausible to increase Peru's presence abroad, it would be suitable to weigh the pros and cons of these latest initiatives, evaluating with great caution the interests which the country might eventually have in the new contacts, in the light of very realistic national and budgetary considerations.

CSO: 3010/544

PPC PRESIDENT DISCUSSES COOPERATION WITH AP

PY191429 Lima OIGA in Spanish 23 Nov 81 pp 34, 36-38

[Exclusive interview held in Lima with PPC (Popular Christian Party) leader Luis Bedoya Reyes by Uri Ben Schmuel--date not given]

[Excerpts] [Question] In July you told OIGA that sometimes in politics there are experiences similar to the differences between an engagement and a marriage: It is one thing to see the well-groomed bride and another to see a wife in curlers. Has the relation between the AP [Popular Action Party] and the PPC deteriorated to the latter stage?

[Answer] Not exactly to that stage, at least not in the sense you are implying. I would explain the situation in the following manner: AP had seen the government from outside and now it is seeing it from within, in curlers, and it is logical that this causes certain difficulties. It is obvious that there is no absolute need to share the same criteria to deal with a problem. These different points of view result in different judgments, but nothing can change the basic issue. For 2 years we will support President Belaunde and his government with our votes in the Senate, as they have requested, and we will keep our minister for these 2 years. There is no change in this situation.

[Question] What will happen after these 2 years? On 12 November you told journalists that if after these 2 years the government's economic policy continues to yield adverse results "somebody will have to move." Does this mean that [you will support the AP government] only for these 2 years?

[Answer] No, wait a minute. I have already explained the context in which this statement was made. Moreover, I believe it would have been extremely rude for me to make this statement at government house after having held a meeting with President Belaunde to thank him for having sent an aide to pay his respects upon my return from Europe. Things have been blown out of proportion. The dialogue went like this: a journalist, one of the many that gather at Government House whenever there is a ceremony--it was 8 p.m. at the time--came up to me with a recorder while somebody else from behind asked me the following question: What has the PPC contributed to the government's economic policy? Answer: The PPC has no obligation to contribute any measures, because the PPC is not in the government. The PPC makes contributions to the extent that the government believes it is necessary and in keeping with the government's policy. Second question: Do you think it is

time to make some changes in view of the evident negative results? Answer: Policies must be coherent; they cannot be curtailed because of pressures. Moreover, the proper period to see whether an economic policy is yielding positive results is over 2 years. Third question: What will happen after these 2 years? This is the part that some journalists have picked up: After 2 years--always referring to the economy--either the government or the men responsible for enforcing the economic policy will make adjustments or somebody will have to leave. But it was referring to the economy, specifically to the economic team, and only if in 2 years it is unable to justify its measures and an evaluation of its actions yields negative results. This question about the agreement [between the AP and PPC] is, therefore, out of context.

[Question] This means that the PPC may continue to support the government after these 2 years if the economic policy is amended....

[Answer] No, it does not. The president was quite explicit a few weeks ago when he requested the PPC to continue cooperating with the government. The party is now making the proper studies so that the party plenum--which will be called on established date, not before--may issue its decision in this regard.

[Question] Do you agree with those who say that the AP has experienced a greater deterioration than was expected in this past year and that this deterioration has also affected the PPC to a certain extent?

[Answer] This is an issue that must be discussed internally, that is, we must study the situation of the government party and its alleged deterioration and, independently, the PPC's situation. We categorically assert that if this is the price we have to pay for cooperating in achieving a stable and strong democratic system, it is well worth it. We believe that if we are able to make this a more stable democratic system even at the expense of causing a certain deterioration to our own party, this is a low price to pay for such a high goal.

[Question] It is said that in your meeting with the president at Government House, you discussed the possibility of the AP and PPC presenting one candidate for the 1983 municipal elections and that this candidate may be Felipe Osterling. Is it true?

[Answer] Well, there has been no discussion regarding elections or any statement regarding an alleged intention of running on one list and even less of naming a possible candidate in case this situation eventually arises. I would like to add that in view of certain reports issued by the mass media, this issue was discussed at the recent PPC board meeting to warn certain people not to pay attention to speculations made by sectors outside the party which may cause frictions within the party. I believe the party promoted Ricardo Amiel in the recent municipal elections and I think it was a successful campaign. I personally believe that the political capital that has been invested in Amiel's political promotion must weigh on the decision that the party must take at the proper time. But no one can overlook Felipe Osterling's exceptional personality who, moreover, we may be reserving for other options and opportunities.

[Question] Would speaking of a "deteriorated" economic situation be premature?

[Answer] I believe that there are figures and facts that cannot be overlooked; there is a difference between the objectives established a year ago and what has been achieved. I believe this demands a serious analysis; it means that certain objectives can only be achieved through specific policies. The government planned not to exceed a 40-percent inflation rate this year, but at present the inflation rate is over 60 percent. It is evident that the GDP was supposed to increase by more than 6 percent, but we are hardly able to reach 4 percent. It is evident that there was the intention of establishing a policy regulating the role of the government in the business sector; this policy has neither been enforced nor defined up to now. It is evident that the government tried to achieve a balanced budget for 1981--although no immediate results were expected since there was a difficult situation because the government assumed power in July 1980 and its had to submit in August the draft budget that is in force at present. But this does not apply to 1982 and despite this there are objectives that cannot be achieved.

[Question] What can you tell us about the AP actions?

[Answer] There are many delicate issues regarding the government party's internal discipline such as its legislators being obliged to attend congressional debates since their unjustified absence delays debates of certain laws. Moreover, when there is a discussion of certain measures that to a certain degree jeopardize the government--such as the appointment of judges, promotion of military officers or approval of ambassadors--there should be cohesion regarding an eminently political issue. It is inadmissible for the government party not to have the necessary number of persons to support a government decision because of internal difficulties. It is obvious that all these situations must be corrected. Of course we are not at a dead end. I believe that in politics those who exercise leading positions must be calm and objective. No situation must be exaggerated, but none should not be overlooked either.

CSO: 3010/548

WAR MINISTER INTERVIEWED BY 'OIGA'

PY191816 Lima OIGA in Spanish 7 Dec 81 pp 30, 36, 38, 40

[Undated exclusive interview with Peruvian War Minister Maj Gen Luis Cisneros Vizquerra]

[Excerpts] [Question] On Tuesday when you attended the National Defense and Domestic Order Commission meeting, you told journalists that "drastic measures" must be enforced to combat subversion. Last month in an interview published in a LA PRENSA Sunday issue you said that terrorists will have to be careful because Interior Minister Gagliardi will not hesitate in handling the situation with a "firm hand." What do you mean by "firm hand" and "drastic measures"?

[Answer] I believe that the terrorist issue is not new in Peru and that our country is no island. We have witnessed the rise of terrorism in South America and now we are witnessing it in Central America; there are foreign interests that are pursuing an objective. I believe that the objective of terrorism is to break the system, basically the economic system which consequently would affect the political system in which we live. We have witnessed this in Uruguay, Argentina, Chile and to a certain extent in Brazil. We have had some experience but we have experienced guerrilla activity rather than terrorism.

Consequently, if we already know how terrorists act, I believe we should be responsible enough to enforce the proper policies. I believe, moreover, that this democratic system lacks the proper measures to defend itself. We believe that a democratic system achieves stability as soon as it is established or restored. We believe we are in a similar position as those countries having a long democratic tradition, but we forget that we have not experienced a French revolution or all the years that separate us from the French revolution. We believe that Peru achieved a stable democratic system on 20 July 1980, and that is not true. I believe that we should view the democratic process in Peru as a 1 and 1/2 year old baby who does not know how to differentiate a knife from a fork or champagne from cognac. It is able to satisfy its most elemental needs as best it can but only after an education process will it be able to differentiate things. We must, therefore, experience a civilian education process and an adjustment to know how to live in a democracy. If we know how to do this we will know the things affecting a democratic system and only then will we be able to enforce drastic measures to confront those who want to eradicate the system.

[Question] But specifically what are these "drastic measures"? Curtailing citizens' rights? Participation of the armed forces in the struggle against terrorism?

[Answer] I believe that in a constitutional regime, drastic measures should be enforced through laws approved by the majority. But they must be drastic. We do not want people to think that because we do not want to appear as a harsh government, we are sacrificing strength for a democratic system because the country may be unable to experience a harsh democracy, an authoritarian democracy. What do I suggest? I believe it is illogical for the constitution to establish that the courts can only try civilians who commit treason against the fatherland in time of war with other countries, since this means that Peruvians can only commit treason against the fatherland in time of war. I believe we should amend this. I would suggest that a constitutional amendment is necessary in this regard so that under this law, all those who perpetrate attacks against the fatherland will be considered traitors, because people also commit treason during domestic wars like the one we are experiencing.

[Question] If I am not mistaken this law punishes with death those who commit treason against the fatherland. Are you suggesting the enforcement of capital punishment for those found guilty of terrorist activities?

[Answer] I believe that the death penalty is secondary. I believe that the death penalty in these cases will serve as coercion, since a man knowing that his head is at stake will think twice about perpetrating an action against the fatherland. But I do not believe that if we find 500 terrorists all of them should be executed. However, I think that if we use this penalty against a certain group, those held responsible for these actions, it will serve as an example to others and in so doing we will be defending the democratic system and therefore, our security.

[Question] During your visit to Congress on Tuesday you said that relations between the armed forces and the government are on an optimum level. Would these relations deteriorate if the promotion of some army officer is rejected this afternoon? Rumors state that Col Victor Ojeda may be rejected. What will be your reaction if this happens?

[Answer] I also said at that time that I am not used to knowing my feelings in advance, that people should not be prejudiced, we should not base our actions on theories. Your question is divided into two parts: regarding relations with the armed forces--and I must specifically refer to those between the army and the government--they are on a optimum level. The government is the executive branch not the legislative branch which does not mean our relations with the legislative branch are on a bad level, but I am not saying they are on an optimum level either. Since I am involved with the executive branch I have told the army commanders what objectives I plan to achieve while I am at the head of this ministry. The army intends to make a major contribution in strengthening the democratic system and in helping to achieve national development through a series of army activities. I must add that everybody, from the president to the other members of the cabinet, have supported this plan. I believe relations are at an optimum level. Moreover, this is what is demanded in the constitution. We have the responsibility of safeguarding the nation and achieving its development. Regarding security we do not have all the resources we would like to have--or need--and because we understand that the country is

experiencing a difficult economic situation, we have always maintained a positive attitude toward the government. There are those, moreover, who are striving to cast a shadow between the government and the army. But through my actions I am objectively stating that the army supports this system. We are taking the specific steps to achieve this program and since I have found receptivity from the government I say that our relations are at an excellent level.

[Question] Would you interpret a rejection in the Senate as a sign of animosity toward the army or will members of the army interpret it as such?

[Answer] I do not think the Senate will be repudiating the army. In case this happens, the Senate will be rejecting members of the army.

[Question] On Sunday 29 November, your brother, Luis Jaime Cisneros, director of EL OBSERVADOR wrote in his column: "The gaucho--not the one in the Pampas but the one sitting at the Defense Ministry--is left handed." Was your brother referring to a certain ability or to something else?

[Question] You would have to ask my brother. I do not know what he had in mind when he wrote that. I suppose he was referring to the fact that I can write with my left hand. Fortunately I do not agree with the so-called leftist sector. I have no problems in admitting that I am no communist and believe I have proven that I am not. I respect all ideologies, I believe everyone has the right to believe what he wants. I am no Marxist....

[Question] Are you a rightist then?

[Answer] No, I am not. In the political analysis that we made at one time at the Interior Ministry I divided political positions into two sectors: the Marxist sector and the other sectors which were in turn subdivided into rightist, center and leftist sectors. I do not think the Marxist sector can be divided into these other sectors, there are no right Marxists although I have found some drinking scotch at embassy receptions. I am not a man of either the extreme right or of the left. I believe money is indispensable but it is not everything in life.

[Question] Would you define yourself as a democrat?

[Answer] I must be something along that line since I belong to a family that has shown its democratic tradition for generations. I have a democratic spirit, yes, I do.

[Question] You were interior minister during the second stage of the military government and among other things you had to deal with the July 1977 strikes as a result of which hundreds of workers and labor leaders were dismissed. You are now a member of a government which through a tripartite commission has reinstated some of those who were fired. Do you feel at ease in a cabinet that maintains a position that seems to disagree with yours?

[Answer] No, I do not because one has a responsibility to fulfill and a time to fulfill it. To want to maintain today the same conditions that prevailed yesterday is to deny the fact that 4 years have elapsed and that the factors that prevailed

in a defacto government can be viewed from the same point of view in a constitutional government. I had a political responsibility to fulfill and I assumed this responsibility and fulfilled it in compliance with my conscience. Today I have another responsibility and I do the same.

[Question] What do you believe is the difference between democracy and abuse of freedom?

[Answer] Democracy is the power of the people, by the people and for the people. Democracy is objectively exercised through freedom of expression but I believe that freedom of expression must be based on ethics. I do not believe democracy enables us to slander people, damage the honor of people--no one can close a newspaper on this ground--and I do not think that democracy means we should accept terrorist activities because a democratic system cannot act with a strong hand. I believe we are experiencing an abuse of freedom--which is also anarchy--if everyone believes he can do what he wants. Democracy is also order; an order protected by laws that must be complied with. I believe that a democratic system must rely on a responsible justice system. We cannot allege that police cannot act firmly because they will be violating human rights. Those who are outside the law, are abusing freedom. I believe that freedom of expression must follow certain guidelines established by the system. If a few overlook these guidelines it is because they lack ethics. There are so many weeklies here that publish anything....

[Question] Do you believe then that any member of the media that fall into this abuse of freedom should be censored?

[Answer] We cannot speak of censorship in a democratic system. Moreover, I believe that many during the de facto government provoked the closure [of these organizations] because it gave them more political status. I do not believe in censorship. I believe in responsibility.

[Question] Some political analysts have interpreted the series of statements issued by Morales Bermudez and Silva Ruete as a step taken with eyes set on the 1985 elections. Within this context do you have any political ambitions beyond exercising the army command? I am asking this question because several sectors believe you are promoting a third [government stage] and that you are a man with yet unfulfilled political ambitions....

[Answer] I can tell you that I have never had any ambition of becoming war minister. I am a man who assumes responsibilities to make a contribution, to try to solve problems. In so doing I sacrifice many things, but I have no ambitions. I have no political ambitions. I could leave the War Ministry tomorrow and I would still be the same person. I do not think of myself a a genius; I know that the person sitting at the War Ministry has great power, great strength but I have never thought of myself as a Napoleon as some said since I am a realistic person.

CSO: 3010/549

NUMEROUS ATTACKS ON STORES IN SAN ISIDRO

PY211742 Buenos Aires TELAM in Spanish 1810 GMT 18 Dec 81

[Text] Lima, 18 Dec (TELAM)--In what has been termed a terrorist action, 16 stores were attacked last night in the commercial center of San Isidro District with incendiary bombs and stones. The Electrolima State Enterprise was also attacked in the town of Chosica, 40 km east of Lima, without causing any personal injuries.

In San Isidro, damage is estimated at about \$200,000. The attack began when a group of troublemakers, of whom 18 were detained by police, began to attack the stores. The group carried arms and subversive leaflets.

Those detained were identified as students and one of them is a native of Ayacucho Department, where the outbreak of terrorism began last June.

In Chosica a Molotov cocktail was thrown against the local office of Electrolima, but the flames were rapidly controlled. The device was thrown from a moving automobile and the attackers fled.

These events come 2 days after an attack on the Mantaro hydroelectric power plant, east of Lima, which was repelled by the Republican Guards.

According to press stories, the guards repelled the attackers, who were carrying submachineguns. In a search later on, 42 sticks of dynamite which had not exploded were found.

The incidents in the Lima region are not the first, since there have been similar cases in recent weeks in Miraflores and San Isidro districts, where surprise acts by extremists caused destruction in stores and other businesses. In the past there have been similar acts in other districts, including looting of stores.

CSO: 3010/544

GENERAL STRIKE DECLARED IN PUCALLPA, PUNO

PY182142 Paris AFP in Spanish 1922 GMT 15 Dec 81

[Text] Lima, 15 Dec (AFP)--An indefinite general strike was declared today in the city of Pucallpa, the main city on top of the Peruvian central mountain range, while two other departments are getting ready to adopt similar measures.

Pucallpa demands the restitution of a province which last week was annexed to the Department of Loreto, which covers most of the Amazon. The province was annexed in last June.

Pucallpa also demands a share of the Loreto petroleum royalties, economic autonomy, the creation of the departmental corporation of Loreto and the construction of a prison, for which other stoppages had been declared before.

Officials of the city of Puno, capital of the department with the same name, which surrounds the Lake Titicaca, also gave the government a deadline to meet the demands, threatening to call a general strike.

It was said that this Andean city lacks the services of water, drainage, and electricity, among others, and that they need 500 billion soles (\$1 billion) to recover from the damage caused by recent rains.

Finally, the Cusco Workers Federation, on the southeast, is preparing an indefinite stoppage to support the state and the welfare workers of that region who began a strike 5 days ago.

They are demanding salary increases and the indefinite appointment of their contracted colleagues, although the respective officials told them that they lacked resources to increase their salaries.

CSO: 3010/544

BRIEFS

DYNAMITE ATTACKS IN AYACUCHO--Ayacucho, 11 Dec--Two violent dynamite attacks occurred in this city last night, the first of which affected the installations of the three-star luxury hotel Marque de Valdelirio, owned by Dario Valdizan. The other explosion destroyed the greater party of the premises of the Hotel de Turistas, which is located right in the heart of Ayachucho. It was 2015 when the three-star hotel, located between 9 de Diciembre Street and Bellido Street, suffered a strong shock caused by a terrible explosive blast. Minutes before, terrorists had thrown a dynamite petard which destroyed part of the Los Blasones Bar. In a nearly synchronized manner, 1 hour later the Hotel de Turistas suffered a similar attack. The strong explosion frightened spectators at the Cavero movie theater who at that time (2120) were coming out after having seen the film "Muerte al Amanecer." According to stories spread by the police, a few hours previously the three public order forces, the PIP [Peruvian Investigative Police], GC [Civil Guards] and GR [Republican Guard], had been meeting in that place [not further explained] in order to fete Gen Carlos Barreto, who is in charge of the five provinces which are in a state of emergency. [By Correspondent Ilpidio Vargas] [Text] [PY181534 Lima EXPRESO in Spanish 12 Dec 81 p 34]

UK, BELGIAN DEVELOPMENT LOANS--Lima, 2 Dec (AFP)--The Peruvian minister of energy and mines, Pedro Pablo Kuczynski, returned to Lima today with loans for \$100 million obtained in the UK and Belgium for hydroelectrical projects. He said that an agreement for 25 million pounds sterling (\$50 million) was concluded in London for the installation of 25 small hydroelectrical centers in various regions of Peru. He added that in Belgium he obtained another loan worth \$50 million to finance a hydroelectrical power plant in Sullana, on the northern coast of Peru. Indicating that the credits had been obtained with favorable conditions, he said that if the negotiations had been delayed for 1 more month, the interest would have increased by 10 percent. In conclusion, he announced that the U.S. Government might possibly decide to suspend the sales of its silver stockpile upon the request of Canada, Mexico, Peru and producers in the United States itself. [Text] [PY181429 Paris AFP in Spanish 2156 GMT 2 Dec 81]

GUERRILLA ATTACK--Caracas, 19 Dec (EFE)--Two small towns in the Venezuelan plains, Aragua de Maturin and San Felix de Caicara, were attacked by guerrilla groups last night. It is not known how many persons were involved in the attacks. They stole one submachinegun and four revolvers from the towns' police posts. Information reaching Caracas did not specify whether the police in those towns clashed with the guerrillas. A short time ago, a group of heavily armed men attacked another plains town, killing one national guardsman. The extreme leftist Red Flag group apparently sponsored these surprise attacks against remote towns. [Text] [PA200131 Madrid EFE in Spanish 2330 GMT 19 Dec 81]

BOMB EXPLOSION--Huancayo, 4 Dec--At dawn today a bomb exploded at the Peruvian investigative police's offices. Nine people were working inside the premises but none of them were injured. The bomb had been placed in the drainage system. [Lima EL COMERCIO in Spanish 5 Dec 81 p A-14 PY]

CANADIAN MINING LOAN--Lima, 8 Dec (AFP)--Canada will make a loan to Peru of \$215 million for the exploitation of the Tintaya copper deposit, located in Cusco District. The deposit's proven reserves amount to 40 million tons of sulfides, and it will produce 160,000 tons per year of sulfide concentrates containing 33 percent of fine copper. [Paris AFP in Spanish 0350 GMT 9 Dec 81 PY]

'SHINING PATH' MEMBERS ARRESTED--The police have arrested three members of the communist faction "Shining Path" who participated in the attack against the El Tambo civil guard post where Corporal Segundo Paz Cervantes was killed. They are Manuel Antonio Quesperoca Barrientos, "Comrade Eusebio"; Margarita Benel Alama, "Comrade Gloria"; and Carlos Cerron Orellana, "Comrade Tito." Personnel of the Civil Guard Intelligence Department (DIRINGC) have determined that the arrested persons helped blow up a high tension tower in the Chongos Bajo District in Cerro de Pasco. They are also implicated in the explosion of ten dynamite sticks on the railroad tracks of the Huancayo-Lima railway line, 5 km from the Mantaro capital. The police indicated that an intensive search for the three extreme leftists was carried out after it was discovered and proven that the three participated in the attacks, as well as taking part in indoctrination and sabotage. According to the police, they are also responsible for dynamiting an electrical pole in Cajas Chico, Huancayo, and the dynamite attack against the residence of the mayor of Tambo District, Huancay. The arrested individuals also took part in detonating explosive devices in a civil guard captain's automobile near the officer's village in Huancayo and in the facilities of the provincial council also in Huancayo (this one did not explode). They also carried out terrorist attacks against the residence of the Cerro de Pasco prefect and the explosion of dynamite in the Chuco electrical tower in this zone. The police did not specify under what circumstances these individuals who created anxiety among the population of the central region of the country were arrested. [Text] [PY102021 Lima EL COMERCIO in Spanish 3 Dec 81 p A-11]

UNEXPLODED BOMB ON PLANE--Trujillo, 30 Nov (Correspondent)--A dynamite stick furnished with a complete detonator timed to blow up in flight was found today in the bathroom of a Faucet Boeing 727, 8 minutes after the jet landed at Trujillo's Huancacho airport carrying 80 passengers from Lima. The jet, flown by Capt Jose Olmos, left Lima at 1415 and landed at 1555. Neither the crew nor the passengers noticed that the bomb was there. Fifteen minutes before the jet landed in Huancacho, an anonymous phone call advised the Faucet office in Trujillo that a bomb had been placed on the plane. APRA [American Revolutionary Popular Alliance] leader Armando Villaneuva del Campo was scheduled to come on this flight in order to swear in the leadership of Trujillo's APRA youth. Groups of APRA supporters were awaiting for him at the airport. From Lima, Villaneuva apologized over the phone to leader Oscar Mansilla for being unable to participate in that ceremony. After the passengers got off the plane, the Huancacho airport civil guard carried out a careful inspection until the bomb was found in the jet's bathroom. Some of the passengers refused to take the plane for the return flight to Lima at 1610. The jet left for Lima at about 1700 carrying among its passengers Army Inspector General Gen Miranda Apuero. [Text] [PY172034 Lima EL COMERCIO in Spanish 1 Dec 81 p 1]

ALLEGED CHILEAN SPY ARREST DENIED--Lima, 15 Dec (AFP)--Peruvian Foreign Minister Javier Arias Stell has denied news published here on the arrest of a Chilean spy near the Talara military base in northern Peru. The minister declared that the reason for the arrest was that said person did not have his identity papers in order. The minister explained that a Peruvian couple that had lost a child born in November 1942 had travelled later to Chile and adopted a boy. He added that to avoid the adoption procedure, they named him after their dead son, Juan Manuel Wentell Miller. Gerardo Esquivel Rojas lived under that name until the authorities discovered the substitution of persons and arrested him last week. Another case of alleged espionage near a military base in this capital city, which was reported last Saturday, was cleared up when the authorities found out that the two arrested Peruvians had taken inoffensive pictures of a public ceremony. [Text] [PY161754 Paris AFP in Spanish 0343 GMT 16 Dec 81]

PRODUCTION INCREASES--The country's agricultural and industrial production has increased by 11.5 percent in the first 7-month period of 1981 with respect to figures obtained last year during the same period. The most important increase has taken place in the field of fodder production, amounting to 22.2 percent. (Lima EL COMERCIO in Spanish 14 Nov 81 p A-16 PY)

LUMBER EXPORTS--Lumber amounting to 4 billion soles is currently being exported to the United States and to the Andean Pact countries, according to Callao customs officials. The extent of lumber reserves is approximately 72-million hectares and the country has about 500 sawmills that process for industry a little more than 2 million cubic meters of lumber per year. The lumber export promotion commission has been created in Pucalpa. [Lima EXPRESO in Spanish 14 Nov 81 p 3 PY]

NEW PATROL BOAT--The Peruvian navy incorporated the "Rio Nepena" to its squadron of coast patrol boats during a ceremony held at the Callao Naval Base yesterday. [Lima EL COMERCIO in Spanish 2 Dec 81 p A-1 PY]

CONSUMER PRICE INDEX--The consumer price index in metropolitan Lima increased by 3.8 percent during the month of November, thus setting inflation at 67.1 percent for the first 11 months of this year. During 1980 the price index had increased by 60.8 percent. [Lima EL COMERCIO in Spanish 2 Dec 81 p A-4 PY]

CSO: 3010/546

BRIEFS

NEW ZEALAND CLOSES OFFICE--Port of Spain, Trinidad, 13 Dec (CANA)--New Zealand, in a move to cut expenditure, will shortly close the high commission it established here 23 years ago and conduct its affairs with Trinidad and Tobago from Canada, it has been officially announced. New Zealand Foreign Minister B.E. Talboys says however that the decision marks no change in the status of relations between the two countries. The Trinidad office was essentially a trade mission and had now achieved its purpose, he said in a statement issued here. [Excerpt] [FL141900 Bridgetown CANA in English 1818 GMT 13 Dec 81]

CSO: 3025/1011

FIFTH GOVERNMENT CONCLAVE ASSESSED

PY181348 Montevideo EL DIA in Spanish 27 Nov 81 p 4

[Editorial: "And the Conclave Ended"]

[Text] The fifth government conclave has ended. This time it took place in the city of Piriapolis, a beach resort.

No one can doubt that this meeting at the highest government level had given rise to general expectations in all sectors of our society. Given the special situation of the Uruguayan economy, adversely affected by a growing recessive process, with high levels of interest rates, unemployment, a generalized debt, and a notable lack of liquidity, the fifth conclave was considered a decisive occasion to begin a corrective process so as to reverse this critical situation.

Moreover, the Uruguayan economy is facing another serious problem, whose solution is, to our understanding, of priority: the expectations of the economic spheres. It is widely known that a large percentage of the members of our society does not believe in the continuity of the current economic policy. Their expectations regarding possible changes to meet sectorial demands based on specific difficulties and needs are dictating behavior which runs against the grain of the current economic policy.

Nevertheless, the fifth government conclave has caused all these expectations to crumble. The basic guidelines of the economic policy have prevailed, and in terms of sectors, those situations which encounter much opposition from their participants have been continued.

Again, one must realize that it is still early to make final judgments. In fact, objectives and policies of an important general nature have been established. They make it rather risky to venture a drastic opinion on their possible effects. In any case, we feel that a rapid consideration of well-known results does not allow encouraging high-hearted hopes. We can see, for example, that the agriculture and livestock sectors will continue facing problems of profitability, that the industrialists will continue facing the maintenance of the protective tariff reduction program and at a financing cost which is practically prohibitive.

It must be noted, however, that they decided to continue enforcing the present salary policy. This means that the government will continue to set the minimum

rate for salary increases for all workers, since government officials believe that the proper conditions to enforce a complete liberalization in this regard do not yet exist. This is an undeniable fact since conditions to carry out salary negotiations on equal terms by the parties involved have still not been created. But if this decision is to satisfy all Uruguayan workers, government officials should try to improve the workers' purchasing power, otherwise this sector of Uruguayan society will experience an even greater deterioration of its situation.

Although this is a subject that will be studied in depth in future articles since this is merely a superficial discussion, we must add that government officials have argued that it is impossible to attend to the demands of only one sector since priorities are established on the bases of achieving the well-being of all the people. On this basis no one is attending to the demands of the industrialists or the agricultural or exporting sectors, or of the workers who are confronting an evident deterioration of their situation both regarding their salaries and the unemployment rate. We ask ourselves: What priority interests are being attended to? Whose well-being is being kept in mind, since all sectors of Uruguayan society are confronting difficulties and no prompt, effective, and specific solutions are being enforced to solve any of the present problems?

CSO: 3010/506

COUNTRY SECTION

URUGUAY

BRIEFS

COST OF LIVING--Montevideo, 7 Dec (LATIN-REUTER)--According to the General Statistics and Census Board, Uruguay's cost of living increased by 1.62 percent in November. Inflation in the past 12 months up to 30 November reached 30.38 percent. [PY111430 Buenos Aires LATIN in Spanish 1740 GMT 7 Nov 81]

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